



# FINANCIALTIMES

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#### NEWS SUNIMARY

GENERAL

# **Textron** bribe inquiry dropped

Allegations that U.S. Treasury Secretary G. William Miller was linked with foreign payoffs made by Textron, a com-pany he nnce headed, were dropped as a legal matter. Attorney - General Benjamin Civiletti denied a request by members of the Senate banking committee to appoint a pro-secutor to examine whether Mr. Miller told the truth when he assured Congress that he knew nothing of Textron's

overseas hribes, Committee staff officials said they had no intention of taking the matter further.

#### Hostage hopes

hoping to hold new talks soon with Left-wing guerrillas who have reduced their demands for the release of more than 30 hostages they are bolding in Dominican Em bassy, Bogota.

#### Kidnap theory

Police helleve they have found the hody of Thomas Nieder-mayer on a building site at Dunmurry, near Belfast. The German industrialist. and German industrialist and diplomal was kidnapped six

#### N-worker dies

A third worker at the Alder-maston nuclear plant in Berk-shire has died of cancer, and his body is to be examined by a leading radiation biologist.

Dr. Robert Runcie, said he was against British athletes taking part in the Moscow Olympics.

#### M-way move fails Secretary Lesley Covelock's campaign to blork the building of a £30m extension of the M25

in Essex received a setback in the High Court when her plea to quash Ministry of Transport compulsory purchase orders on land needed for the motorway was refused.

#### Syrian riots

President Hafez al-Assad's regime in Syria is believed to be facing a serious challenge from Moslem dissidents with reports of riots and serious damage to public huildings. Page 4

#### Terrorists law

Turkey is to revive a law which allows security forces to shoot wanted terrorists on sight. The move follows a further rise in

#### Jenkin criticised

Social Services Secretary Patrick Jenkin faced allegations from Labour MPs in the Com-mons that he failed to consult Government law officers before suspending Lambeth; Southwarkand Lewisham Area Health Authority last year. Page 10

#### Briefly . - .

Provisional IRA claimed responsibility for Monday's shooting of British soldler Corporal Steven Sims in West Germany.

Bomh blast wrecked part of a Government social security the two former groups in 197 centre in Bilbao, Northern Page 24 and Lex, Back Page Spain shortly after it was evacuated.

Women medical students chained themselves to rallings in protest at the possible closure of the Royal Free Hospital School of Medicine, North London.

its fourth woman president in its 165-year history.

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 $\epsilon_{A} \in \mathcal{F}$ 

# **Equities** up 3.3; gold off \$17

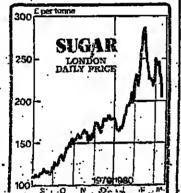
leaders forward in quiet trading and the FT 30-share index rose 3.3 455.6. The Gold Mines Index. however. saw its biggest ever loss, down 38.9 to 298.6.

• GILTS were belped by the February banking figures and hopes of an early end to the steel strike. Gains in shorts and longs extended to and the Government Securities index rose 4.02 to 64.18 rose 0.03 tn 64.18.

• STERLING closed at \$2.2270. np. 1.05 cents and its trade-weighted index rose to 72.2 (71.9). DOLLAR was firmer in late trading. Its index was nu-changed at 87.4.

GOLD fell \$17 an ounce to \$568.50 in London.

Colombian Government Is WALL STREET was 4.69 hoping to hold new talks soon higher at 823.63 near the close. SUGAR values fell sharply in London, the daily raw sugar prire dropping £25 a tonne to £205. Page 33



Olympics plea

The Archbishop of Canterbury.

The Robert Runcie said he was floating bank rate; Page 4

> ■ JAPAN'S: wholesale price index rose 2.6 per cent to 127.2 last month, the highest monthly rise in six years. Page 4

• EUROPEAN banks have reached a £16.4m deal with Midland Bank to buy parts of its subsidiary Thomas Cook to challenge the U.S. dominance of the travellers' cheque market. Back Page

 THE GOVERNMENT bas rejected proposals that the Ex-chequer Audit Department should be allowed to see the books of the nationalised Industries and the British National Corporation. Back and

 BRITISH Shiphuilders baa won several orders, worth a total of £50m, including the vital contract of replacing engines on container vessels.

THREE RAIL UNIONS are to present a joint pay claim, estimated to be worth at least 20 per cent, to British Rail.

 MALAYSIA is to change its production-sharing policy with foreign oil companies in favour of contracts based on monetary payments. Page 6

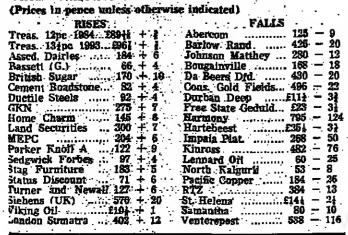
#### COMPANIES

• SEDGWICK FORBES Bland Payne Group, the recently merged insurance brokers, saw 1979 jaxable profits total £47.4m, down on the total earnings of the two former groups in 1978.

. J. BIRBY and Sons agricultural group taxable profits rose 15.5 per cent from £8.4m in 1978 to £9.71m last year on higher second-half earnings.

• CHRYSLER Anstralian staged Cambridge Union — the univer—a strong recovery in 1979 with sity's debating society—elected profits of A\$12.3m (£6.07m). compared with a loss A\$20.5m in 1978. Page 31

#### CHIEF PRICE CHANGES YESTERDAY



# Town hall staff to black issue of rate demands

Leaders of 560,000 local authority white collar staff yesterday announced a widespread programme of industrial action. It could force up council borrowing by halting the issue of rate demands, and disrupt Easter holiday air traffic.

hulk of the administrative, pro-fessional, technical and clerical payers, will be taken in the processing factories and thence staff who would be involved in main by computer staff. the action, yesterday sent in-structions to its members to black work relating to the issue

of rate demands. Union officials said members in Bradford, Plymouth, and the London horoughs of Hillingdon and Waltham Forest had already started the action. Members in other councils were expected to follow suit in the next 48 hours. While most local authorities have to horrow money at the start of the financial year to bridge the gap hetween the issue

of rate demands in March and April and the payment of rates, the unions believe there would he less readiness lo lend the councils money when there would he little likelihood of early repayment.

The majority of local authorities have very little scope left for raiding their own balances. Faced with demands

for cuts and threatened with penalties for high rate increases, many councils have reduced their balances to a precariously lnw level.
At least 10 per cent of

The National and Local councils will now hold less than Luton, one of the major centres Government Officers' Association said the action was being planned expenditure in tours, East Midlands, Leedscalled in reply to the authorities' balances. The accepted desires Bradford, Bristot and Teesside.

offer. The action, which will affect Seriously disruptive action could be taken by local authority meat inspecture, who NALGO, which represents the the commercial and industrial to shops. The union will hallot

NALGO also organises enunell post room and other clerical staff. They are subject to the blacking instruction to try to prevent expected attempts by traclors and agency staff. authorities to bring in some form Officials agreed this could lead

of manual issue of demands. The second major strand of the action is to ballot air traffic control officers in municipal airports to seek their support for industrial action during the Easter holiday.

Traffic from major airports such as Heathrow, Gatwick and Manchester would not be and the payment of local councillors' attendance allowdirectly affected. Those affected would include ances.

#### REVOLT OVER BILL

The Government faces open revolt from all local anthorities and their Tury-controlled associations over its refusal to compromise on controver-stal parts of the Local Govern-

The final split came in the committee stage of the Bill yesterday when Mr. Tom

Local Government Minister, announced the Government was rejecting all the authorities' alternative proposala to reform of rate support grant. The local authorities bad heen hoping for at least some gesture of compromise. Page 10: Edi-Iorial comment, Page 22.

the inspectors on strike action.

with council consultants, con-

hers to han all non-contractual

return to central Government,

being frozen.

Union members have been

# U.S. may impose formal trade sanctions on Iran

BY DAVID BUCHAN IN WASHINGTON

and will ask allies not to undermine Its economic squeeze, according to Administration

This follows the collapse of hopes for the immediate release of the hostages in Tehran.

The five-man United Nations team, sent to Iran last month to bear its grievances and pave the way to freedom for the 50 hostages, left for New York vesterday.

The UN team is expected to see Administration officials in Washington, the State Department said. But this does not U.S. beforehand.

preclude unilateral steps by the Military action or a naval

sanctions. This would be more a gesture to the American public of a tougher Administration stand than tightening the economic screw on Iran. Trade between the two coun-

tries is already at a standstil, with the U.S. renouncing purchases of Iranian oil, blocking Iran's financial assets and a U.S. dockers' strike on shipments to Iran. Washington is anxious that

its European allies, fretting at the long hostage dealock, want Reports that Italy is ready to sell helicopters are causing

Fading hopes for a negotiated settlement are pinned on the hlockade are ruled out for the belief that Iran still wants a moment. The most likely step UN report on its grievances

THE U.S. is likely to impose io the next few days is the against the Shah, as a mark of formal trade sanctions on Iran pormulgation of formal trade legitimacy for the revolution. At the UN, Dr. Waldheim said he had recalled the commission when conditions set by the Ayatollah for it to see the hostages became impossible to

> 'We cannot control the situation in Tehran," he said,
> "Evidently there is a power struggle.

Dr. Waldhelm reiterated that people live.

Three other relatively minor to Tehran after certain ques-tions had been elarified with Continued on Back Page the Commission would return

Iran and the U.S. A formal report on the Commission's 17-day visit would not be issued until both aspects of its mandate were completed The first was to hear Iran's

Continued on Back Page U.S. moderates angry Page 4

# Gold shares tumble

FINANCIAL TIMES REPORTER

SOUTH AFRICAN Gold shares registered their biggest ever one day falls yesterday following another sharp decline in the bullion price.
The Financial Times Gold

Mines index dropped 38.9 to 298.6 and baa now fallen 70.7. or 19 per cent, over the past three trading days. Dealars marked down gold shares yesterday morning as a result of heavy overnight selling in the U.S. A fresh wave of selling from London, Johannes-

burg and Continental investors

£ in New York Mar. 10 Previous

\$2,2185.2195|\$2,2210.2225 nll.0.05 dis |0.10-0.20 grom 0.16-0.21 prem 0.05-0.15 prem 0.30-0.20 dis | 0.40-0.20 dis

caused further sbarp falls dur-ing the morning and early after-

Share prices tended to follow the movements of the bullion price which despite a minor rally in the afternoon, eventually closed in London \$17 lower at \$568.50 an ounce. This followed ao \$28 fall on Mooday. The selling pressure affected all gold shares and highy priced issues like Randfontein and West Driefonteio had losses of

The builion market has come under pressure recently as a result of high interest rates. This bas made buillon investment, with hopes only of a capital gain, less attractive.
In addition the effect on the markets of political tension in out the p the Middle East has waned in markets. recent weeks.

F.T. Gold Mines Index Gold The bullion price has now

come down over \$260 since its record closing high of \$835 on January 18. Just as the rise in the bullion price in January prompted 4ocreasingly heavy speculative investment in other bas led to sharp selling through out the precious and base metal Mining News Page 25

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Joseph Stock and ANNUAL STATEMENTS Crest Nicholson ... Do Beerg Ind. Corp. De Beers Cn Mines Standard Life Ass. 35

INTERIM STATEMENT

# Mugabe names his Cabinet

By Bridget Bloom and Michael Holman in Salisbury

ROBERT Rhodesla's new Prime Minister. last night appointed a broadlyincluding two Europeans in the economir Ministries of Commerce and Industry and Agricul

Mr. David Smith, formerly Minister of Finance and one of the 20 Rhodesian Front MPs in the new Parliament, is to serve as Minister of Commerce and Induatry, while Mr. Dennis Norman, president of the powerful white-dominated Com-mercial Farmers' Bureau, is to

take the agriculture portfolio.
There was considerable surinstructed to refuse co-operation prise here that Mr. Mugabe, who submitted the list in Lord Soames, the Governor, after his formal appointment vesterday afternoon as Prime Minister, chose as Minister of Finance to payments to contractors The union will call all lts Mr. Enos Nkala, an outspoken members in local government veteran nationalist with no formal economic background out on a one-day strike next month. It is authorising memwho was in detention until the Lancaster House agreement in

overtime, work on statistical December. But the scope of the portfulin appears to have been reduced, since Mr. Mugabe will create a Ministry of Economic Planning and Development, expected to be beaded by Dr. Bernard Chidzero, at present deputy head of the Uoited Nations Commission on Trade and Develop-

ment. Mr. Sydney Sekeramayi is lo he Minister of Lands, Resettle-ment and Rural Development, which will control the planned massive resettlement of African peasant farmers.

Mr. Edgar Tekere will have the Manpower Planning and De-velopment portfolio, td oversee a programme of rapid Africanisation. There is also a new Ministry of the Public Service.
The Independence Cabinet, which apart from Mr. Nkala's appointment contains few sur-prises, reflects the new Prime Minister's determination to

ment of Reconcillation." Mr. Joshua Nkomo, leader of the Patriotic Front, Mr. Mugabe's former partner at the Lancaster House talks and the "father of African nationalism" has, as announced earlier, been given the Home Affairs port-folio. Part of the police force will come under this potentially powerful Ministry. Its major function apparently remains the administration of the Trihal Trust Lands where the majority of the country's 7m will come under this potentially

# Slower rate for monetary growth

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

is now showing definite signs of slowing. But it is still slightly above the upper end of the official target range and the de-mand for bank credit from tightly-squeezed companies re-

mains strong.

Monetary crowth is certainly slackening but ooty slowty. Sir will atmost certainly not be in a position to announce a cut in Minimum Lending Rate in his Budget a formight today.

Most City analysts do not expect a cut hefore late April or May at the carliest, Indeed. recent pressures have been upwards and the strains are shown by the record number of 22 banks facing penalties uoder the corsel restrictions on the ex-pansion of their activities. The main indicator lished yesterday is the banking system's eligible liabilities, a

large part of their deposit base and of sterling M3, the broadlydefined money supply. This fell by nearly 0.1 per cent in £52.89hn in the month to mid-Fehruary. This is not a gnod guide to sterling M3 because of seasonal variations. Various other transactions, such as some lending

to the discount houses and an

Increase in the sterling exposure of the banks, largely offset each other. sterling M3 rose by about 1 per cent last month. This would take the annual rate of growth since June to 12 per cent and about 10 per cent since October. A further two points needs to he added if acceptance credits are counted. This compares with an

THE RATE of monetary growth of 7 to 11 per cent. The target

the Budget.
The authorities have, however. for the first time estimated the possible scasocal pattero of certificates of tax deposit. This is an interest-paying instrument The hanking figures for mid- mainly bought at one date dur-Pebruary, announced vesterday ing the year to be surrendered by the Baok of Eogland, provide in order to pay tax hitls later in order to pay tax hitls later mixed news for the Government, in the year, notably between

January and March. slackening but ooty slowty. Sir After adjusting for this factor Geoffrey Howe, the Chancellur, sterling M3 may have risen by only ! per cent last month and the underlying rate of growth since last autumn would be well within the official range.

The main expansionary influence regians bank lending to the private sector. The London clearers estimate that their advances rose by £137m last months and all the underlying increase was accounted for hy The manufacturing sector, particularly engineering. Lending to the personal sector fell.

This almost certainly understates the total rise in bank lending by a few hundred million pounds during the month, both because of a switch of some company borrowing from hank overdrafts into market sources and because of a rise in acceptance credit lending.
While bank lending is still growing the pressures are less

than recently and mainly appear to reflect the start of the recession as companies take ther. time to reduce their excess Consequently, it is likely that levels of stocks. The pressures of the corset are shown by the fact that the number of hanks facing penal-

> deposit free of interest increased from £28m to £10+m. Tables Page 27

> ties rose from 14 to 22 and the amount which they have to

#### £40m contract for GKN

official target range of increase Borrowing requirement Page 8

GKN has won a £40m contract from East Germany to build the first of three forges which will prodoce components for a new range of

The order is the largest ever for a British company in East Germany and GKN bopes to get contracts for the remaining two forges East Germany will pay for the forge, which is to be com-pleted by 1982, by delivering components to GKN which will be marketed throughout the world.

chant bank, is to provide a loan to the East German purchasing organisation which Credits Guarantee Depart-

ment. GKN apparently won the deal over original competi-tion from Citroen because of Its superior technology.

Negotiations are under ay between Indostrieanlagen Import of East Ger-many and GKN on other projects such as a foundry which would be worth more than £10m.

Morgan Grenfell, the mer-World Trade News, Page 6 From the House of



'RE

William Dullforce, recently in Reykjavik, reports on a modern saga in an old Norse colony

# Revenge, betrayal, eloquence and a Government in Iceland

of the old Norse sagas was independence rarry. The played out in Iceland last taken three Independent MPs with him into a coalition with the played a revenge theme, with him into a coalition with the played a revenge theme. imputations of betrayal, and a the left-wing People's Alliance sudden reversal of fortune and the Centrist Progressive brought about hy an extra- Party, as well as another ordinarily eloquent appeal to Independent who won his seat ordinarily eloquent appeal to

There were also more modern touches to the formation of Iceland's new Government. A principal role was played by a former professional footballer whose name once resounded from the Glasgow Rangers and Arsenal terraces. The economic context was an inflation which last year produced a 61 per cent jump in Iceland's consumer prices.

The main protagonist was the new Prime Minister. Mr. Gunnar Thoroddsen is a youthful 69, of imposing stature and with family background which would have delighted the aaga narrators, who attached great importance to their heroes

As for Mr Thoroddsen'a peraonal background, bis political career started in the early 1930s. He has been a law professor, the mayor of Reykjavik for 12 years, an ambassador, a supreme court judge and a member of two Cabinets. But he has not been Prime Minister before, and he was unexpectedly defeated in the last presidential

in the December general elec-

tion without party support. The Independence Party, of wblch Mr. Thoroddsen is vicechairman, has been the domi- the two parties fell one seat Iceland from Denmark after the last war. It was out of government for only two years up to 1970. but has since twice been relegated to opposition.

Western Governments bave regarded it as the principal guarantor of Iceland's participation in the North Atlantic Treaty Organisation (NATO). and of the air base the U.S. Navy rnns at Keflavik.

and Prime Minlater between 1974 and 1978. The difference in personalities could scarcely be group.
greater, and they bave little He was overwhelmingly Hallgrimsson is a bard-working, dependable administrator, who bas limited popular appeal but has so far beld the confidence has limited popular appeal but Thoroddsen could not muster has so far beld the confidence of the business establishment. Thoroddsen could not muster enough rebels within the parliamentary group. They left the

Thoroddsen has split the reliable opportunist, who per-Independence Party. He bas forms poorly in office.

The sceoe for the recent political drama was set by the December general election, in which the Independence Party was expected to make enough gains to return it to government, prohably in coalition with the Social Democrats. It ohtained only one new seat, the Social Democrats lost four, and political force in short of the 32 they needed to since independence ensure a majority in both ensure a majority in both houses of the Althing (parliament).

In the next two months the leaders of the four parties took turns at trying to piece together majority coalitions, but the deadlock persisted into February. By this time Mr. Thoroddsen was making his own soundings with the Progressives and the People's Alliance without informing his leader. Hav-The party's present leader is ing reached agreement on an Mr. Geir Hallgrimsson, 15 years younger than Mr. Thoroddsen programme, Mr. Thoroddsen presented his proposed Cabinet to the Independent Party

greater, and they bave little He was overwhelmingly re-respect for each other. Mr. jected At this stage, Mr. Hallgrimsson and his supporters were still confident that Mr.

dence

parliamentary



Members of the same party but far apart: Prime Minister Gunnar Thoroddsen (right) and Mr. Geir Hallgrimsson, the former Premier

minutes during an Icelandic by Mr. Thoroddsen. That in radio news cast. It was a itself was enough to deprive the bravura performance, acknow-opposition of the power to bring ledged by even his bitterest Mr. Thoroddsen down. opponents as the finest lesson in political persuasion most of Mr. Thoroddsen walked into the Reykjavik television studios and

Mr. Gudmundsson once played football for Glasgow Rangers them had beard. An hour later, and Arsenal before reaching the climax of his professional career in France, where he played for repeated the performance.
The next morning Mr. Albert
Gudmundsson, an Independusinessman who has successfully accepted by the inner core inflation. Last year's cost-of-He is a candidate in the Presi- living index climbed 61 per dential election this spring.

profoundly shaken the Indepen- money supply (M3) rose by 56 profoundly snaken the independence Party. The political career per cent. The previous coalition of its leader. Mr. Hallgrimsson, Government failed completely of its leader, Mr. Hallgrimsson, is at stake. Some party members are urging a clean sweep at the top and the election of an entirely new leadership.

Against the charge of betrayal, the Prime Minister argues that join a majority government. He giving him substantial popular backing. He expresses a wish to keep the party together, but at the same time insists a new The approach of Mr. Thoroddleader must be found.

Iceland's foreign policy is unlikely to be affected by the division of the Independence Party and the shape of the new coalition. Mr. Olafur Johannesson (Progressive), former Prime Minister, occupies the Foreign Ministry. In a recent interview, he gave his personal guarantee there would be no change in policy towards the Atlantic alliance and the air base. Mr. Thoroddsen has given similar assurances, while the anti-NATO People's Alliance is apparently content to let the issue of the air base rest for the time being.

Greater uncertainty centres on the stability of Mr. Thoroddsen's Government and even

something of an outsider within more on its shifty to deal with the Independence Party, not Iceland's economic problem cent, the building materials lu-Mr. Thoroddsen's coup has dex put on 64 per cent, and the to turn the tide.

The election result also raises a doubt as to whether Icelanders are prepared to accept tough anti-inflation measures. The Independence Party campaigned the leadership was out of touch on a Thatcher-style platform to with voters, who wanted it to bring down prices. Its relative bring down prices. Its relative failure can be interpreted as a refers to the latest opinion polls rejection of shock tactics by voters, who may have become

sen's coalition is more measured, siming to reduce infla-tion to reasonable levels in 1982. It may be helped initially by the normal business cycle, as over the next few months the Icelandic economy appear . '? Se heading for a quieter period, and the unions may just agree to wage restraint in return for social reforms." The danger is that the coalition parties will be unable to put sufficient curbs on public spending.

On the other hand, after the drama of the coalition's formation. Mr. Thoroddsen and his partners have one binding political interest: they have to make this Government work.

Concern in

over price

A STEEP rise in Norwegian consumer prices during January and February is worrying the Labour Government and its trade

union supporters. The increase, which followed the ending on December 31 of a 15-month

prices and incomes freeze, has

been sharper than either govern-ment or unions expected;

The trade union congress, which is involved in spring wage

talks with the employers' feder-

ation, says it may seek some kind of government guarantee

on curbing Inflation, so that pay

increases will not be cancelled out immediately by bigher

The consumer price index for

mid-February, published this week, showed a rise from mid-

January of 1.3 per cent, and a year-on-year rise of 7.4 per cent. This followed a rise from mid-

December to mid-January of 1.4

per cent. Three-quarters of the February increase however

particularly for precious metals

and oll. The upsurge in gold and

silver prices alone accounted for balf of it. Mr. Sissel Renbeck, the Con-

sumer Affairs Minister, says that

the Government still has "satisfactory control" over domestic price increases. These remain subject to a considerable

degree of regulation despite the ending of the freeze.

Pressure on domestic prices is growing, though, as various trade and business groups seek

compensation for rising costs.

The Norwegian Retailers' Association has called for an

end to the curb on retail trade

margins introduced nearly three

years ago, and taxi-owners want to raise fares to compensate for

higher fuel costs.
Oil companies have been allowed to put np retail prices

four times this year, but are pressing for further rises. They

claim they are still losing money

on oil product sales.

Meanwhile, some groups of

workers bave not been willing

to await the outcome of the spring wage bargaining, and have gone on atrike in support of claims for immediate, local pay rises. An official bus drivers'

stoppage in Oslo is now in its third week, despite a Labour Court ruling last week that it is illegal and despite TUC appeals to the drivers to return

to work.
In Norway's well-regulated

expel the strike leaders.

Oil tender

By Our Oslo Corresp

restricted

an estimated 100,000 commuters and schoolchildren Other unofficial stoppages affect plumhers in Oslo and railway maintenance workers

ONLY NORWEGIAN concerns

have been invited to tender for an important contract concern-

ing Statfjord-A, the first pro-duction platform on the Anglo-

Statoli, the state oil company, said invitations to tender for

platform maintenance had gone

to Aker-Norsco, Terotech, and

Oil Industry Services, all Norwegian owned. Statoil, which has a stake of

nearly 50 per cent in the group

developing the fleid, could not put a figure on the contract's

Norwegian Statfford

Retailers'

**Norway** 

upsurge

By Fay Gjester in Oslo

creasingly rective nationalistic Warsaw Pac n the aftermath of the Soviet invasion of Afgianistan, how-ever, the UK Government appears to be reconsidering the area's importance. This week alone sees two ministerial visits: that of Mr. Cecil Parkinson, the Trade Minister, to East Germany and, starting today, the three day visit of Lord Carrington

TOP LEVEL British ministerial visits to Eastern Europe have been thin, on the ground in recent years. It has been left

to West Germany, France and

Italy to forge the closes

political and economic links with the Soviet Union's in-

UK takes

new look

at East

Serious commitment

the Foreign Secretary, to

British businessmen have com-plained for years about the Ministers to back up their efforts by making the kind of high ranking visits which are appreciated by the host country as proof of a serious commitment to the market concerned.

They also suspect that the relatively low level of UK trade with Comecon exports of £1,395m last year-has tempted the British Government to take a harder line un the Soviet invasion of Afghanistan than other West European countries more closely find to long-term energy supply and co-operation and trade

n his context the visit of Mr. Parkinson to East Germany ls especially significant. East Germany, after all, is one of the most ideologically rigid of the Comecon countries. It fully and automatically backs up the Soviet Union's global foreign policy initiatives both directly, through the supply of military and security advisers to Africa, and in-directly through its votes in the UN and other bodies. Alongside Czechoslovakia and Bulgaria it bas given the strongest support to the Soviet Union over

Afghanistan. s such it would seem an ideal candidate for the kind of "cold-shoulder" tactics which the British Government has decided is its most appropriate policy towards the Soviet Union and its closest allies at

#### **Exaggerated** fears effected higher import prices,

The presence of Mr. Parkinson at the Leipzig Fair has re-assured businessmen that their worst fears of losing out on contracts as a result of Government policies have been exaggerated. At the same time, however, the desire of the East German Government to promote a business-as-usual atmosphere also reflects the anxiety of East European Governments to maintain their access to Western technology

This desire is fully backed by the Soviet Union which is banking on being able to import sophisticated products incorporating Western technilogy from its East European allies both to strengthen inter-Comecon trade links and compensate for any difficulties it might find in its own direct trade with the West.

markets

While Mr. Parkinson's visit reflects the desire to maintain good commercial relations. despite the strong political condemnation of the Soviet Union and the desire to raise the cost of military adventurism. Lord Carrington's trip is designed to demonstrate support for Romania's independent foreign policy in general and its criticiam of the Afgbanistan invasion in

labour market, strikers normally resume working, bowever reluctantly, once the Labour Gromyko protest Court has ruled an action illegal

His visit is the first by a British Foreign Secretary to Eastern Europe since the theo Mr. Michael Stewart went to The bua companies are threaten-ing to sue the drivers for Bucharest in September, 1988, one month after the Warsaw damages and have urged the Transport Workers Union to Pact Invasion of Czechoslovakis which Romania also For the time being, the government is refusing to intervene, though the dispute affects strongly criticised.

lione among Warsaw Pac members, Romania refused in support the Soviet Union in January's UN General Assembly debate on Afghanistan, Shortly afterwards Mr. Andrei Gromyko, the Soviet Foreign Minister, flew to Bucharest to protest against this latest Romanian example of lese majeste.

According to leaks from Bucharest, President Nicolae Ceansescu was given a blood warning to stop emberrassing the Soviet Union and refrain from giving any political, diplomatic or other assistance to any country involved in a dispute with the Soviet Union and to co-ordinate its international actions with those of the community.

FINANCIAL TIMES: except Sundays and

# defeated in the last presidential election, a defeat which he election, a defeat which he blamed on lack of support from his own party. To become Prime Minister on this occasion, Mr. Thoroddsen sponents within the party depict him as an un-fine defeated in the last presidential amentary group. They let the convinced that the meeting convinced that the distribution of the business and Nice. He is now a well-to-do that the distribution of the support from the possesses a spiritual possesses and a shrewd political been firmly put in his place. That same evening, Mr. Albert and Nice. He is now a well-to-do that the Gudmundsson, an Independence Party MP, informed Mr. Hallgrimsson the would not vote against a Government formed sen, Mr. Gudmundsson has been the support from the possesses and a shrewd political been firmly put in his place. That same evening, Mr. Albert The next morning Mr. Albert Gudmundsson, an Independence Party MP, informed Mr. Hallgrimsson the would not vote against a Government formed sen, Mr. Gudmundsson has been the provinced that the convergence of the spiritual possesses and the possesses and the possesses and the possesses and the provinced that the convergence of the possesses and the possesses and the possesses and the possesses and the provinced that the convergence of the possesses and the posses The SAAB 900 Range From high speed to low loading Because it's a Saab, you won't have to lift luggage over a

The 1980 SAAB 900 range of cars appeals to many different people, from the family motonist to the true motoning enthusiast. It appeals to people who recognise in Saab's

superb handling and road holding, a car built to be driven. The nine cars in the range share the same aerodynamic body style, in three or five door form, as well as the rally proven Saab 2-litre engine. Even with these in common, the · · · characteristics of each car are entirely different



One of the world's most impressive parformance cars.

The SAAB 900 Turbo is the best expression of Swedish design and engineering. A superbly equipped executive saloon with 125 mph performance and acceleration to match. Seating five adults in luxurious comfort, it remains superhly flexible when driven under normal traffic conditions.



The passengers of the SAAB 900 have generous, comfortable ed elegant seats, abundant space and a silent environment

The SAAB 900 GLS provides the same space and comfort as the Turbo, but is built with the family man firmly in mind. Capable of over 100 mph, the GLS has been designed to provide an outstanding 39.8° mpg at a constant 56 mph. In today's economy, this can be a major factor in deciding on a new car. The tail gate opens easily and safely on gas filled struts to reveal a boot which can carry luggage securely, the family dog in comfort, or with the beck seat down, swallow over six feet of cargo with ease.





amount of competition.

Government Fuel Consumption Figures

decision.

Tel: Marlow (06284) 6977. Saab Export Enquiries - Tel: 01-491 2905. Saab Fleet Enquiries - Tel: Chesterfield (0246) 450244.

high sill. The floor is low and level with the rear humper so

features, the 900 GL is exceptional value for money. From

Talk to him as well about SAAB SAFEGUARD MOTOR INSURANCE AND VEHICLE BREAKDOWN INSURANCE

We think your choice of a new car will become a simple

within the Saah range, you will find a car that can stand any

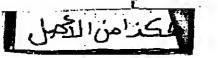
everything slides in easily, from week-end groceries to a chest

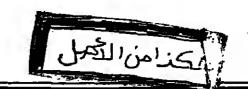
The SAAB 900 GL Incorporating all the basic SAAB 900

Test drive a 1980 SAAB 900 at your nearest Saab Dealer.

The SAAB 500 Turbo 3 and 5 door has shoot 2 simulated urban driving - 20.3 maps; (3.9 lites per 1700 km); constant speed driving 30 kph (56 mph) - 41.2 mpg (8.9 lites per 1700 km); constant speed driving 120 kph (75 mph) - 32.5 mpg (8.7 lites per 1700 km).







# Deficit may lead Bonn to borrow abroad

BY JONATHAN CARR IN BONN

WEST GERMANY'S Govern- Mark has tended to fall even in ment may emerge as a borrower nominal terms against most from the oil exporting countries, the latest rise in domestic as a result of the country's interest rates has failed to plunge into current account change the picture markedly, deficit. The object would not The dilemma was set out it the Dentsche Mark.

Germans. Until relatively recently, they have been more accostomed to wondering how best to discourage unwanled capital inflows which might disturb the Bundesbank's money

was quickly dropped. Now there is reason to believe that on it from abroad. the Bundesbank may be more inclined to support such a plan. While West Germany bad a big current account surplus in 1974, it is now facing a deficit this year-caosed in particular hy a bigger oil import bill— which could be more than DM 20hn (£5bn). The Deutsche of trade.

CHEST TO SERVICE STREET

of foreign funds, in particular other currencies this year and

The dilemma was set out in be simply to help the Government cover its budget deficit
but to boost an inflow of Handelsblatt by Dr. Johannes
foreign capital and thus support

Voelling, chairman of the Westdeutsche Landesbank, one This policy would represent of the country's biggest banks. a policy reversal for the West His analysis is known to be close to that of senior monetary officials in Bonn.

Dr. Voelling said the current account deficit meant West Germany was faced with the choice either of dipping deeply supply targets and increase into its currency reserves or of inflation.

When the Federal Government roved in 1974 to borrow abroad through issues of promissory notes, the Bundesbank objected and the scheme postponing an essential process. of economic adjustment forced

If neither option were taken, Dr. Voelling said, the result would be further strong would be further strong Deutsche Mark devaluation. This was the worst of all courses since it meant more imported inflation and further worsening of the terms

#### Spanish trade resurgence offset by rising fuel costs

BY OUR MADRID CORRESPONDENT

THE SPANISH Ministry of reported. The coverage for Commerce warned yesterday December levelled at an that the trade gap would widen this year with oil import costs exports standing at Pta 138.74 bn expected to increase nearly 100 and imports at Pta 178.72 bn. per cent over the 1979 bill. But The volume of trade in Decem-officials also predicted a further ber was a record. growth in exports, which had shown an encouraging trend in the closing months of last year.

The 1979 trade figures showed a deficit of Pta 482.58 bn (£3.22 bn) an increase of 12.3 per cent on the 1978 shortfall of Pta 429.94 bn. Exports covered 71.7 per cent of imports.

began last October, the officials against 29.5 per cent in 1979.

A Ministry official sald the improved December trade result, together with a narrowine of the inflation gap against that of other industrial countries, permitted certain hopes for the coming year. But he said that an increase in the The December figures showed deficit was inevitable in 1980 a deficit of Pta 39.98 hn, which when the Ministry expected was down from the Pta 51.73 bn fuel import costs to almost shortfall the previous month double to represent close to 35 the end of 1979 were also mostly and continued a trend which per cent of total imports above the level a year earlier,

#### New rise in Swiss interest rates likely

By David Marsh in Basle

MAJOR SWISS banks are expected to raise interest rates on fixed, deposits by about } a percentage point in the wake of Monday's moves by the Swiss national bank to encourage inflows into the Swiss franc. This would represent a fur-ther round of monetary tighten-

ing in Switzerland. Interest rates have already risen sharply in the past few months, as result of rising inflation and the weakening Swiss franc. · The banks are negotlating among themselves on increases which could take interest rates on three-to-12 months' deposits

to a uniform 6 per cent. Current rates are 5 per cent for three-

to-five months money, 51 per cent for six-to-11 months, and of per cent for 12 months. Details have not yet been settled, but an announcement on the new rates may be made today. A rise in deposit rates has become necessary following Monday's measures to free deposits of over three months' maturity from the ban on

interest payments. This means that Swiss banks are now in direct competition for fairly short-term funds with are already offering interest rates of around 6 per cent for

Swiss franc deposits. John Wicks adds: Increased dollar sales hy the Swiss national back in the first to days of this month have led to a marked reduction in the baok's foreign currency reserves. The national bank, which also repaid a number of short-term domestic currency

swaps arranged at the end of February, booked a drop of SwFr 2.81bn (£730m) to SwFr 19.26bn (£5bn) over the 10-day period eoded March 10. This is the lowest level recorded since October, 1978, and follows large national bank intervention to support the flagging Swiss franc. Swiss industry is fairly

optimistic on busines prospects for the next few months, according to the Swiss Trade and Industry Association.. employers' organisation, Reuter

A survey, completed at the end of February, showed incom ing orders in many sectors of the economy last year were higher than in 1978. Orders in hand at

# Belgium bans language war marches

BY MARGARET VAN HATTEM IN BRUSSELS

THE BELGIAN Government yesterday banned all public marches and political demonstrations in the troublesome Fourons district near Liège.

The move follows violent demonstrations last weekend when Flemish nationalists from many parts of the country marched through the arca, formerly part of Frenchspeaking Wallonia but now officially included in Flanders.

Two people were reported injured in a shooting incident when Walloon counter-demonstrators rounded on Flemish

marchers. Previous clashes between

Wallons, who want the district re-incorporated in Wallonia, and flemings led the Government to han demonstrations, bot marches were still permitted. Increasing violence, provoked by reneated flemish marches through the area, has forced

the tighter Government restrictions. The main francophone political parties are planning to press the Government to disband what they consider to be private armies, including extremist right-wing groups.

The Fourons trooble is part of the wider "language war"

which finally caused Mr. Leo Tindemans, the former Prime Minister, to resign, and has been a constant problem for Mr. Wilfred Martens. his

Despite a truce last aninma, when the Government finally enacted a watered-down version of its plans for regional devolution, the Issue continues to divert the Government from its attempts to deal with Belgium's pressing ecoonmic problems.

The tense atmosphere in Brussels after last weekend's violence has provoked speculation that an abortive

attempt to kidnap Mr. Tindemans was politically motivated. But two men arrested later were alleged to have admitted responsibility, and to have said they were interested only in a ransom.

 More demonstrations occurred in Brussels yesterday when several bundred farmers took to the streets to demand a 7.9 per cent rise in farm prices. Commission proposals for a 2.4 per cent increase, they said, would force them off the land.

Mr. Tindemans: Attempt to kidnap him foiled.



# Financial disclosure measures before European Parliament

MOVES TO harmonise the regu- ment wishing to impose more with approval by the European Brussels.
Parliament of a proposal that As it is would require quoted companies be a considerable achievement to publish half yearly reports.

backing, the European Commission, later in the year, will put before the Council of Ministers proposals for minimum reporting standards. These would, period; none the less, leave the European investor, in a slive Europ pean investor in a slate of relative ignorance by comparisoe charges, gross operating results listed stocks. with his U.S. counterpart.

lations of EEC stock exchanges stringent reporting require-were expected to take a modest ments on listed companies step forward here last night, would have the full backing of As it is, they believe it will

to pilot through the Council this After securing Parliament's year a directive which would:

origing the Furthern Commis require the publication of balf yearly reports consisting of activities figures and an "explanatory turnover. statement" on the reporting • show figures including "at of

net turnover, other and interim dividends (if any)

that "investors can make an informed appraisal of the company's business."

Companies would also be and supporting figures on the number of people employed, investment decisions, state of order book, capacity utilisation, stocks, and new products and activities significantly affecting

The Commission's long-term strategy remains the creation of conditions for electronic linkage and trading between

However, this is still a very The Commission, it is under-stood, would have liked to have proposed: distant prospect because of require that the information wide variation in the practices more ambitious and be accompanied by equivalent and capital formation imporon trade and competition

MPs call for fewer curbs

BY JOHN WYLES IN STRASBOURG

restrictions on trade and cnmpetition within the Community. This was despite previous calls from members for increased aid to deprived regions

The Parliament adopted a report on compension policy broadly endorsing conclusions already reached by the Com-mission. The effect is 10 add to that significant body of opinion in the Community which opposes any measure that

ment of trade protection. MPs have exhibited a generally liheral, free market view on compelition in spite of the fact that this could mean the removal of national aids

THE EUROPEAN Parliament competition between one region yesterday joined the EEC Com- and another in attracting mission in demanding fewer industry.

The report, produced by the Economic and Monetary Affairs same ground as the Com-mission's own report on competion policy of May, 1979. It calls for strong central direction from Brussels and it wants the Community's pine member stales to reinforce and co-ordinate their national competition policies.

Areas which the committee would maintain unfair national felt needed urgent attention aids to industry or the develop- include state contracts, tax evasion, help for small and mcdium-sized companies in standing up to monopolies, secsteel industry) and transfer pricing between the subsidiaries

# 25 arrested in Padua as hunt continues for Moro killers

BY RUPERT CORNWELL IN ROME

ITALIAN magistrates investi- operation is one of the largest over the past five years, and at into the affair, just a few weeks cancellations. gating the kidoap and murder in Padua since last April wheo of Signor Aldo Moro, the former Sig. Tool Negri, a political Prime Minister, two years ago, science professor, was among arrested 25 people yesterday in those arrested. Professor Negri another major swoop in the was in effect accused of being violence-ridden university city not only the ideological mainof Padua.

The round-up, details of which against those detained are understood to include possession of explosives and the anti- Moro episode. terrorist catchall accusation of participation in an armed

spring behind the far-left "Workers Aulonomy Movement". selves, responsible for the

Those detained yesterday are accused of having been respon- has resulted in a virtual dissolu- on their demands. sible for various terrorist acts then of the special parliamentary. Their work to rule has led to but until now Parliament has latest anti-terrorist in Padua and the Veneto'region committee established to look widespread flight delays and not got around to examining it.

least one is understood to be after it bad begun work.
wanted for questioning by Rome • The Italian Parliament was magistrales conducting the Moro inquiries. Despite this new move by the

authorities, progress towards uncovering the truth behind the Moro affair remains painfully were still not clear last night, (Autocomia Operaia Organiz- slow. More than 11 months took place at dawn. Charges zata) but also the prime mover after his arrest, Sig. Negri against those detained are behind the Red Brigades them remains in prison with nothing

due last night to start an urgent debate on a draft Bill which will place air traffic controllers under civilian status, as chaos continued to mount in the country's

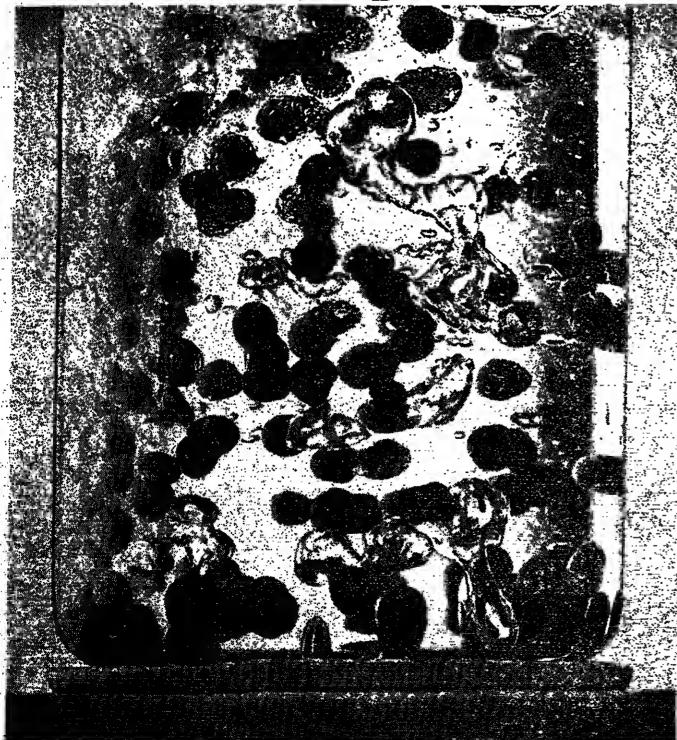
The controllers, who have after his arrest, Sig. Negri heen working lo rule for six remains in prison with nothing days, want freedom from but the most general of charges military jurisdiction and claim formally levelled against him, that no real progress has been Meanwhile political bickering made on official promises to act

The atmosphere has become

more tense with the Instigation by the military authorities of proceedings against the leaders the work-to-rule, illegal under the existing statute which the controllers are seeking to change.

Last autumn a polentially devastating total strike by the cootrollers was only averted by President Sandro Pertlni. Since then the Government has managed to prepare a draft Bill.

# The advantages of burning coal like your wife cooks peas.

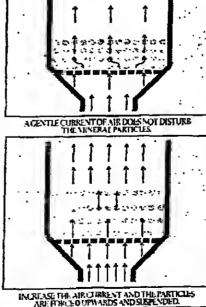


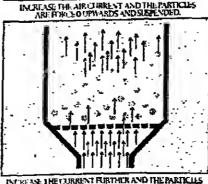
#### The simple principle of fluidised bed combustion.

mineral matter like sand or ash.

Now pass an upward current of air through the bed-at a certain velocity the particles of sand or ash will become highly turbulent and 'boil' in a similar fashion to a liquid.

You now have a fluidised bed into which you can inject and burn coal. Rather like your wife cooking peas.





Save, save, save. Burning coal through fluidised bed combustion provides higher heat However, the release rates than ever before possible was in economy.

Just imagine a red-hot bed of inert rates of heat transfer enable boiler sizes that of the old Lancashire, to be reduced.

Also, since combustion takes place at a relatively low temperature, a wide range of coals can be burnt efficiently.

On an environmental level, the characteristics of fluidised bed combustion keep the emission of sulphurdioxide and nitrogen oxides well below the accepted standards.

Putting theory into practice. Over the years, extensive development and experimental programmes have been carried out on fluidised bed combustion.

The resultant research and knowhow means that Britain leads the way in this revolutionary technique. Several plants already operate on a



A suitable case for treatment Antler Limited are the biggest manufacturers of luggage in the UK, and were the first company to have ar operational fluidised bed boiler on its premises. The boiler is a vertical shell type, and it provides space heating for Antler's four-storey building and replaces the old-fashioned Lancashire

type boilers. The new fluidised bed boiler outperformed its predecessor by coping perfectly with the on-off-on conditions of Spring and Autumn, as well as having the capacity to deal with the

arctic weather of the Winter of 1978/79. However, the biggest difference

It has the advantages of having no
moving parts in the furnace, and high
boiler is in excess of 80%, well above The thermal efficiency of the new

> The tomato plant. CWS of Marden, near Hereford, grow tomatoes, 81 acres of them under glass. Half of their greenhouses are heated by a fluidised bed boiler.

The estate manager of CWS. Mr Rossiter, is more than pleased by the way his new system nurtured his tomato seedlings through the ultrasevere conditions of 1978/79, but what impressed him most was the economy angle. 'Our expected bill for oil for 1979/80 would have been £60,000 but with coal-fired fluidised bed we have estimated a saving of about £22,000and that's a lot of tomatoes.

If you would like to know just how fluidised bed combustion can help you in your industry get the advice of the NCB Technical Service experts by

	writing to the address below.
ì	Sendin: The National Coal Board Technical Service Branch, Markenng Department, Hobart House, Grosvenor Place, London SWIXCAN
ı	Name
	Company
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# Surge in Japan's wholesale prices

**Extremist threat** 

to Assad regime

regime in Syria is confronted are visiting Aleppo, Hama and with what It helieved to be its biggest challenge since coming tion about "enemy plots, inside

The gravity of the students became clear yesterday with the receipt of information from and farmers announced earlier this week that it had been this week that it had been

Syria about large-scale riots decided to form popular militical last Tuesday and Wednesday in to fight the Moslem Brothers to

regime.

past 16 months.

Japan's wholesale prices last ferring with fellow-central month was a six-year record, bankers, the Japanese Press is prompting speculation that the carrying reports that the dis-Bank of Japan will decide on another big rise in the official about 15 per cent as early as discount rate within the next the end of this week, few days.

Aside from the latest price

from January (when the index inflationary steps in the U.S. rose 2.1 per cent). The could have on the value of the increase was the biggest since yen. It is generally expected a 3.9 per cent rise in February, 1974, during the first oll crisis. up again, jeopardising the At 127.2, the index was 21.4 per Japanese Government's plan to cent higher than a year earlier defend the yen against further slow tha still buoyant economy (1975 squals 100).

sumer level, will continue to climb over the next two

Slow pace

at Namibia

discussions

PROGRESS TOWARDS an international settlement of the guerrila war in Namibis (South

Vest Africa), on the lines of

the Rhodesian settlement, bas

become bogged down because of Sonth African fears of a

similar outcome.

Five days of talks in Cape
Town last week batween South
African and UN officials failed

to produce any "visible prograss" towards implementation

UN-supervised elections.

of a ceasefire agreement and

Instead, South Africa has agreed to consider an exhaustive

UN explanation of how a

demilitarised zona along Namibia's northern border

would work and to reply on

whether it is acceptable. South Africans admit that

after Mr. Robert Mugabe's victory in the Rhodesian elec-

tion, the prospects of a victory by the South West Africa Paople's Organisation (SWAPO), the nationalist move-

ment fighting the guerrilla war

in Namibia, must be assessed more realistically.

ducted the talks must now re-

port to the front-line black

African states most affected, Angola, Zambla and Botswana.

A senior UN official said before

leaving that there was a feeling

in the international community

Town, who were instrumental in

launching the initiative, bope that the African bloc at the UN will be sympathetic towards the

South African desire for more

time to see bow the Rhodesian

However there is a lingering

suspicion that Pretoria is

merely seeking more time to establish the South African-

backed Democratic Turnhalle

result works out.

that there should now be

The UN team which con-

"visible pro-

along

the riots.

casualties.

their stores.

Western diplomats in Cape appears to reflect far more wide-

RATE of increase in is still in Switzerland concount rate could be raised by

The February wholesale reports, concern is growing price index leaped 2.6 per cent over the effect that further antithat U.S. interest rates will go depreciation.

The Government expects that wholesale prices, which have already hegun to ba reflected in earnest at the conweek as part of the yen defence measures to be implemented The Japanese press is to the panicky bond market speculating that, in addition to The Government is prepari package, the Finance Ministry months, as oll and other commodity price rises show up in the economy.

What impose restrictions of out- increases is reached.

Reuter adds: Japan intends to the economy.

Treasury Bills. These outflows resist U.S. pressure for it to

PRESIDENT Hafez al-Assad's

Aleppo and Hama. Tha curfew

imposed by the authorities was only lifted on Sunday.

Troops are reported to have been rushed to Hama in the in the centre of the country and

Aleppo in the North to quell

Serious damage was caused

to public buildings including the

offices of Syrian Arab Airlines and Aeroflot. There is no

reliable information about

The dissidents, believed to be

members of the fundamentalist

Moslem Brotherhood of the

mainstream Sunni sect of Islam,

had called for a general strike

against the regime of President Hafez al-Assad. Fighting in-

volving the use de beavy machine-guns and rocket

propelled grenades erupted

when security men attempted to

prevent shopkeepers opening

against the regime whose leadership comes mainly from

spread and spontaceous oppo-

sition than the outbursts of

the minority Alawite

The extent of the protest

to power in 1970.

measures was to encourage the inflow of capital through liberalisation of certain barriers. The authorities generally seem to have concluded that liberalisation is more effective than restriction in

supporting the yen, Japan last raised the official discount rate on February 19. by I per cent, to 7.25 per cent. This was the fourth increase in 12 months. Economists now expect Japan will increase the rate to 9 per cent or more, to and perhaps restore some order

The Government is preparing later this month when a final will impose restrictions on out- decision on alectricity rate

resist U.S. pressure for it to the economy.

While Mr. Harno Maekawa, Governor of the Bank of Japan,

Treasury Bills. These outflows resist U.S. pressure for it to increase its defenca spending substantially, following the

Leaders of the Ba'athist party

agents and how to oppose

The gravity of the situation

is shown by the fact that Mr. Assad addressed these meetings.

He told workers and farmers

that if they needed weapons

attack against the U.S. on Mon-day, accusing the Central In-

telligence Agency of being behind the enemies of his

Tha Moslem Brotherood has

baen blamed for a wava of assassinations and violence which has claimed the lives of more than 100 people during the

David Lennon reports from

Tel Aviv; A ministerial com-

mittee of the Israeli Cabinet has

approved the expropriation of 1,100 acres of privately-owned land in Arab east Jerusalem for

the construction of a new Jewish suburh.

This appears to be Israel's

defiant response to the recent

Security Council resolution calling for the dismantlement of Jewish auburbs built in the

Arab part of Jerusalem, which

Mr. Assad launched a scathing

they would have them.

The purpose of last week's Soviet invasion of Afghanistan, Mr. Masayoshi Ohira, Japan's Prime Minister, and bis senior Cabinet Ministers, made clear yesterday.

Japanese Ministries have recently hinted that the Government thinks it would be difficult to raise defence spending by 11 per cent as the Americans apparantly want.

But yesterday Mr. Ohira, Mr. Saburo Okita, bis Foreign Minister, and Mr. Kichizo Defence Ministar. underlined publicly that Japan has no programme for drastic changes in its defence spending

The U.S. had asked Japan to enhance its fighting ability, but Japan had to live "within its own circumstances" and would act accordingly, Mr. Ohira told Parliament Japan should try to modernise its defence forces and not just talk about defence spending, he added.

India's GNP

INDIA'S Gross National Product is expected to bave

fallen by 1.2 per ceot in the financial year 1979-80, Mr. R.

Minister, confirmed in Parlia-

ment yesterday. Agricultural output would be 6 per cent

lower, while industrial output

would either be stagnant, or

Budget which seeks approval of expenditure until July, the

Finance Minister said inflation

was about 20 per cent during the year. He blamed the

Janata and Lok Dal Govern-

ments of the previous 33 months for this. "They have

allowed the economy to drift

through inaction and mis management, into stagnation."

Mr. Venkataraman did not

indicate what programmes the

present Government would undertake to tackle these

problems. Policies would be announced when the final Budget was presented, and

after a new planning commis

sion had formulated the Government's Five-Year Plan.

The present plan had been

scrapped, since it was "inadequate" to fulfil tha promises made by the ruling Congress Party in its elaction

Because of the "mismanage

ment" of the economy, the

Minister estimated the budgetary deficit for 1979-80 at

a record Rs27bn (£1.5bn). far in excess of the Rs13.8bn (£763m) provided for.

between revenue and expendi-

ture of Rs12.35bn. No fresh taxation was announced since

only a vote on account was

being sought until the final Budget, expected in June after

the electiona to nine State

AP adds: Mrs. Gandhl's Government will keep radio and

assemblles.

manifesto, be added.

likely to

fall 1-2%'

Venkataraman,

would decline.

Presenting



#### Canada opts for floating bank rate

By Our Toronto Correspondent THE BANK of Canada has opted out of visibly setting interest rates by moving for the second time in its history to a floating bank rate.

The central bank hopes that allowing its key rate to float will support the Canadian dollar and keep interest rates in line with rising U.S. ones.

In the past two mooths the U.S. prime lending rate at com-mercial banks bas risen by almost 3 percentage points to 174 per cent while the Canadian prime rate has remained at 15 per cent.

Refinance

Another reason for reverting to a floating rate appears to be the imminence of heavy Govern ment borrowing. There is an immediate need to refinance Government debt in the region of C\$400m (about £155m), hut the Government has a continuing need to borrow.

come into effect tomorrow. will establish the bank ratecurrently 14 per cent-at onequarter of a percentage point above the interest yield on 91-day federal Government 91-day · Treasury Bills.

According to Mr. Gerald Bouey, Governor of the central bank, the system will not reduce the Institution's influence on interest rates in the country because it will continue to manipulate them by huying and selling bonds and short-term securities.

Adjustments

The most obvious effect of the action will be to make weekly ments to the baok rate.

Last week's yield in 91-day

Treasury bills was 13.68 per cent If this week's tende results in the same rate it would 13.93 per cent. But with interest rates rising internationally. Canadian short-term rates are expected to rise as well, pushing no the bank rate in the coming

Opposition critics said the move appeared designed to remove the bank rate from the economic spotlight and belp the new Liberal Government avoid responsibility for high interest

Anticipation of a large Toronto Stock Exchange on 1.974.59.

Saudi Arabia's Shi'ite minority troubles Riyadh

# BY DAVID BUCHAN IN WASHINGTON other congressional leaders had been hriefed by President Carter on the latest dashing of American bopes that the 50 U.S. appears to reflect the Adminis-tration's more measured second thoughts on the latest twist of events, after officials bed at first exploded angrily against the Ayatollah Khomeini's blocking of the United Nations commis-

U.S. moderates its anger

over Tehran hostages

WE HOPE that this fairy-tale

Government in Iran will come

to its senaes," said Senator Claihorne Peli efter be and

hostages could soon leave

This hang-on-and-hope attitude

sion's work in Tehran.

Mandate

accused the Ayatollah of

reneging on an agreement that the UN panel should at least see and check on the well-being

of all of the hostages, before writing its report on Iran.

The five-man UN team has

now left Tehran, its report nn-written, for further consulta-

tions in New York with Dr. Kurt

Waldheim, the UN Secretary

General, with the faint possi-bility that it might go back.

The UN was always a fairly weak reed in this affair, and for the time being it bas snapped. But the White House

made clear that it is the only

extant bope for a negotiated settlement, saying in a state-ment on Monday night: "We

understand (the UN mission) is

prepared to return to Tehran

in accordance with its mandate

and the instructions of the Secretary General when the situation requires."

Military action against Iran

threatened regularly in the earlier days of the 130-day long crisis, is firmly ruled out. No one

in Washington helieves that It

would place the hostages in

less danger than they are in already. The U.S. now has a

substantial naval force, with

two aircraft carriers, in the

Indian Ocean and Arabian Sea.

But that is in response to the

Soviet threat in the wake of

the invasion of Afghanistan. There at least is no talk of

The White House bas kept in

using it to blockade Irau.

Dr. Kurt Waldheim .... patience of Job

sura on the Iranian authorities, who want the report as a mark of international legitimacy for their revolution. There also is an inclination in Washington to let the power struggle in Tehran run its course through the forthcoming parliamentary elections (the first-round takes elections (the arst-round takes place on Friday) in the hope that eventually the "forces of moderation — President Abol Hassan Banl-Sadr, and the foreign minister, Mr. Sadeo otzadeh, will triumpb over the militants. That hope of course is slender, now that the Ayatollab Khomeini appears to oave thrown his support to the

Acquiesced

U.S. officials angrily point out the irony that it was originally the Iranians who demanded that the UN panel should see the hostages—a demand that the U.S. acquiesced in provided there was to be no interrogation of the Americans end that it simply was to be a means of checking that all the hostages were safe and sound. Mr. Cyrus Vance, the Secretary of State, in fact gave the UN lawyers a personal file on each of the 50 hostages, when they left for Tehran on February 23.

very close touch with Dr. Waldhelm throughout this crisis, and was evidently reassured by the Secretary-General's statement this week agreement from Iran that the UN team could have eccess to that the UN tribunal would not write its report on Tebran's the hostages, there never was opinion may require a gesture anything concrete agreed on such as formal sanctions against their release. Dr. Waldheim from Stunned by the puncturing reflected this dangerous vague- of the latest hopes for an end allegations against the ex-Shab and on past U.S. involvement in Iran while the fate of the in Iran while the fate of the ness when lest month he to the deadlock, few of Mr. hostages remains so uncertain. described the UN mission as "a Carter's political rivals have had This provides a lever of pres- fact-finding mission to bear any alternative to suggest.

Iran's grievances and to allow for an early solution of the

The hope in New York and Washington, was that the Iranians would be embled to let off steam about the Shah, and the US to the UN taking and so save face in diminist down and freeing the hostages.

Dr. Waldheim has displayed the patience of Job and Richard the patience of Job and Richard to bridge the perhaps in bridge the perhaps imbridgeside gap between Iran and the U.S. in the case of the hostages. But that is what he is paid for, and he does not face increasingly frustrated worms in an election this year, as President Jimmy Carter does.

The American President has

The American President baa won considerable respect, at bome and abroad, for his levelheaded conduct in the Iranian crisis so far. But he has recently been accused of lnept vaciliation in another foreign policy area—the U.S. vote in the UN against Israel's settlement policy, and his back-handed retraction of it as an "error." It has also not gone nnnoticed that Mr. Carter has had to modify his stand in the Iranian crisis since last November, when be declared the U.S. would not accept any UN inquiry, until the Americans in

#### Danger

At the turn of the year, this was modified to a proposed simultaneous setting up of a UN inquiry and freeing of the hostages, and then, last month, to the release of the hostages. to the release of the hostages following the UN inquiry.

Mr. Carter had wider geo-political reasons for modifying his stand, and these in Washington'a view still bold good. Since the Soviet invasion of Afghauistan, the Administration has sought to convince Iran that the real and long-term danger to its security comes from Soviet military forces; now on two of Iran's borders, in the southern Soviet Union and in Afghanlstan, Mr. Carter proffered tha Olive branch of a new relationship with Iran, possibly including aid.

For the moment, too, Presielbow room to pursue bis course on Iran, though public

# Rohatyn warns on NYC finances

BY STEWART FLEMING IN NEW YORK

on its own is "becoming more accelerates.
and more questionable in the current climate." Rohatyn, chairman of the Municipal Assistance Corporation, said yesterday in a grim assessment of the outlook for the city's finances.

The corporation, which has the financing problems which lysed.

NEW YORK CITY'S ability to are re-emerging as the U.S. re-enter the public debt market economy falters and inflation already made the municipal The problems facing the city

are likely to be brought into sharper focua at the end of this month as wage negotiations with municipal workers move into a critical phase. It is possible that a simmer-

conducted New York's horrow. lng, and as yet unsettled, com- fiscal problems. ing since it was locked out of muter railroad dispute will come increase in interest rates the bond market in the fiscal to a head at the same time as triggered a racord slump on tha crisis of 1975, is also seeking a wage contract negotiations for two-year extension of its role municipal transit workers. Fears Monday, when the composite as the city's borrowing agent to exist that the city's transit guarantee programme in 1978 index closed down 71.17 at 1984. This is partly because of system could be almost para- was about to end, Mr. Robatyn

Accelerating inflation has workers' wage claims look relatively modest and has reduced the city's chances of obtaining a settlement on the terms it would prefer. But the rise in interest rates and inflation bave added to the city's

The two years' relative fiscal tranquility which followed approval of a Federal loan

#### Alliance as a viable alternative to SWAPO. Treurnicht appeals

By Our Johannesburg Correspondent

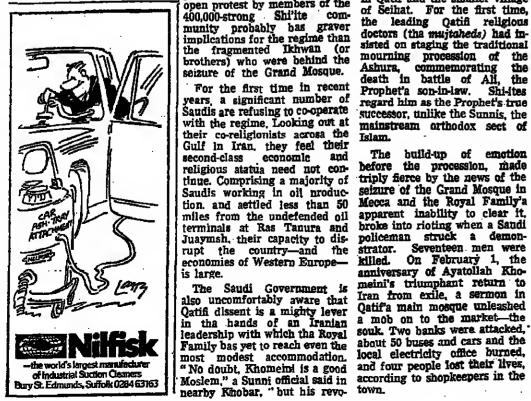
for unity

A POSSIBLE SPLIT in South Africa'a ruling National Party over the cautious racial reforms proposed by Mr. P. W. Botha, the Prime Minister, appeared to have been averted yesterday. Dr. Andries Treurnicht, the

ideological leader of the party's hard-line conservatives, backed down in a confrontation with Mr. Botba over whether a mixed race team should play in a schools' rugby festival and issued an appeal for party unity. Dr. Treurnicht ia, in effect.

the second most powerful man Transvaal provincial wing. His appeal came after a Cabinet meeting and urgent peace making efforts by fellow

Mr. Botha is expected to insist on a vote of confidence from the parliamentary party



Bury St. Edmunds, Suffolk 0284 63163

#### was annexed to Israel after the violence in Aleppo and Latakia 1967 war. last aummer.

Michael Somare, Prime Minissince indepandenca five years immediately succeeded by Slr Julius Chan, leader of the opposition People's Progress

Mr. Somare, aged 43, has and was to a large degree res-been under attack recently for pousible for conservative, bard what critics called his auto- money economic policy and for cratic styla of leadershin.

of Seihat. For the first time,

Islam.

Family bas yet to reach even the about 50 buses and cars and the

"No doubt, Khomeini is a good and four people lost their lives,

#### Somare fails in confidence vote PORT MORESBY - Mr. Ok Tedi.

Sir Julius said bis Govern-schemes.

ment would not "close the He favoured a cauitious but options" on development of hard-headed approach to foreign copper and gold deposits at investment.

of the Grand Mosque in Mecca.

the Royal Family, naturally enough, made no attempt to

publicise the riots; for the first

open protest by members of the 400,000-strong Shi'ite community probably has graver implications for the regime than

the fragmented Ikhwan (or

brothers) who were behind the

seizure of the Grand Mosque.

For the first time in recent

years, a significant number of

Saudis are refusing to co-operate

with the regime. Looking out at

their co-religionists across the

Gulf in Iran, they feel their

second-class economic and

religious atatua need not con-

terminals at Ras Tanura and

most modest accommodation.

The Saudi Government and road blocks.

Mr. Somare announced on ter of Papua New Guinea Monday that his Government had given conditional approval ago, was defeated on a Vote for a consortium lad by of no confidence yesterday. He Australia's Broken Hill company to develop the deposits. Philip Bowring writes: Sir Julius was Finance Minister in the first years of independence

#### TV under State control, and is taking action against TV officials who punished staff for broad casting a pro-Gandhi programme when she was out of power. sensible commodity stabilisation

Mr. Yasant Sathe, Informa tion Minister, announced this in Parliament yesterday, in reply to a question by Sanjay Gandhi the son of the Prime Minister. and a member of the Lower

# CATE BAINTAIN PROVINCE

The burned-out cars have

before the procession, made tinue. Comprising a majority of triply fierce by the news of the Saudis working in oil produc- seizure of the Grand Mosque in tion, and aettled less than 50 Mecca and the Royal Family's miles from the undefended oil apparent inability to clear it, broke into rioting when a Saudi Juaymsh, their capacity to dis- policeman struck a demonrupt the country—and the strator. Seventeen men were economies of Western Europe— killed. On February 1, the anniversary of Ayatollah Kho-The Saudi Government is also uncomfortably aware that Qatifi dissent is a mighty lever in tha hands of an Iranian a mob on to the market—the leadership with which the property of the party where the sank Two harks were attached. villages. leadership with which the Royal souk. Two banks were attacked,

build-up of emotion

local electricity office burned,

ONLY SCORCHED pavements in the market bear visible witness to recent disturbances in Qatif. Wealth recedes on the way to Arabia's Shi'ite community. Its isolation from the Eastern Province's main community. was enough to ensure that the new factories give way to troubles, although in the heart shanties and ragged palm planof Saudi Arabla's oil region, did tations. Isolated in towering not receive the publicity which sollowed the seizure and siege saltmarsh, Qatif would be hard to get to even without police These went up on November 28, when violent riots broke out in Qatif and the smaller village the leading Qatifi religious

been towed eway and tha windows of tha Saudl-British doctors (the mujtaheds) had insisted on staging the traditional mourning procession of the Ashura, commemorating the death in battle of Ali, the Bank repaired, but the police remain. Even late last month, the souk had still not fully re-Prophet'a son-in-law. Shi-ites opaned; some shopkeepers kept their shutters down out of fear, regard him as the Prophet's true successor, unlike the Sunnis, the some out of bloody-mindedness. mainstream orthodox sect of Over the unfrequented straats, a pall of smoke from the two gas-oil saparator plants of the Qatif oilfield reminds the Qatifis and visitors what the troubles were raally about. To whom does all this oil belong?

Shi-ites in Qatif, and in tha major town of Hofuf where they form a majority, now tend talk in terms of their exclusion from the civil service and the armed forces, and the lack of schools, health care and municipal services in the

Shi-ites baya also profited little from the services and construction boom generated by the Arabian American Oil Company (Aramco), which lifts trusted confidant, Abdullah Bin-could not survive the Iranian efforts of Crown Prince Fahd practically all Sandi oil, and Jalawi, as governor of Hasa (the revolution Some leading Iranian and his advisers to build a the five-year Plan. An auto-Eastern Province) and in the clerics (notably Ayatollahs relationship with the Khomeini matic bakery in Khobar is the next 60 years the region Rouhani and Khalkali) singled regime.

**James Buchan reports** on Saudi Arabia's minority Shi'ite sect in the strategic Eastern Province, the centre of the oil industry. They have the capacity to disrupt the Saudi economy and that of the

sole "industry" owned by Sbl-ite.

But, in January, leaflets began appearing in the villages. They acemed to provide the first political framework for Shi-ite grievances. Echoeing the tone of Tehran radio—and probably published in Tehran or Bahrain—the leasiets callad on Oatifis not to co-operate with the Royal Family.

The Shi-ites are only marginally in a minority in the Eastern Province. Most are immigrants from Iraq and Iran, but they claim their origin from the Carmathians who established themselves in of the project to bulld an inthe Eastern Province cases in the 9th century.

Shi-ite control over Hofur's wella was ended early this century by the emerging Al-Saud family of central Arabia and their Sunni warriors. The Saudi leader, Abdul-Aziz Al-Saud, appointed his most trusted confidant, Abdullah Bin-Lehen

davelopad into a fief of the Bln- out Qatif and Bahrain as areas Jalawi family. Shi-ites commonly complain

that the Royal Family's leaders ara unconcerned with their condition, while the Bin-Jalawi, installed to consolidate Sandi power over the cases, bave no interest in the Shi-ites. When oll production began in the 1950s, Aramco became (and remains) the major authority in Hass, but the Government's habitual distrust of the Shi-ites, and the arrogance of the local Sunni population, merely increased, they say.

Shi-ites, however, were the only readily available labour to aatisfy mounting damand as Aramco expanded in the mid-1970s. They now number 16,000 of Aramco's total workforce of

This coincidad with a very gradual breakdown of the barriers between Shi-ites and Sunnia outside tha company, and also with a feeling among younger Royal Family members, notably Prince Ahmed, the Deputy Interior Minister, and Prince Sattam, the Deputy Governor of Rivadh, that something bad to he done.

A brilliant Qatifi, Dr. Jameel Al-Jishi, was eppointed director dustrial city at Jubail, north of the villages, at a cost of \$50bn plus. He remains the only Shi-lte in a position of authority, but Qatifis have also been moving into more modest Jubail posts which otherwise could not have been filled by Saudia at all. This very gradual approach

where brothers were being persecuted. Saudi intelligence officials say the reason they missed the massing of the Ikhwan in Mecca was their preoccupation with reports of agitation by Iranian pilgrims in the villages.

When the riots broke out, Prince Ahmad rushed to Qatif and pleaded with the Shi-ites to co-operate. in return for a substantial improvement of their economic lot. For the first time, Royal Family member admitted the Shi-ites had bad a raw deal. Renewed violence on February 1 indicated that the message was not accepted.

In Riyadh, the feeling has been growing that, hecause of historical hitterness, the flefdom should be taken from the Bin-Jalawi. Prince Ahmad, it was felt, might be appointed governor of the Eastern Province. However, King Khaled, whose mother is from the Bin-Jalawi family, has evidently decided there should be no change, although one of Crown Prince Fabd'a aons is likely to be appointed deputy governor.

The Royal Family is also strenuously trying to come to terms with Iran. Recent weeks have seen some stabilising of Iranian revolutionary fervour, but the encouraging statements of President Abolhassan Bani-Sadr and Iranian diplomats are often belied by Tehran or Ahwaz radio.

Stability in the Eastern Province may depend on the efforts of Crown Prince Fahd

#### Chicago fire strike ends

By Maralyn Edid in Chicago CHICAGO'S firemen have ended their 23-day strike after their union and the city agreed on a procedure to resolve the dispute.

The firemen struck over what they felt was "bad faith" bargaining by the city. Mayor Jane Byrne had also refused to grant the 4,350 men the city's first contract with public employees despite her campaign promise to de

Under the agreement the two sides will put the issues to a fact-finding commission be accepted or rejected.

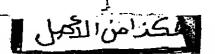


unruffed--never a convention. dla





Marshell B. Coyne, Proprieta



# "Thirty-fourth successive record year."

# STATEMENT BY THE CHAIRMAN, MR. A.M. HODGE To be presented at the Annual General Meeting on 18th March 1980.

# Total Funds Now £2,550m. Pensions Annual Income Up 21%. Revised Valuation Basis. Bonus Rates Increased.

#### LIFE ASSURANCE BUSINESS

Shortage of oil due to the troubles in the Middle East, increasing inflation and the difficulties experienced by exporters due to the relative strength of sterling have all contributed to make the past year a difficult one in the U.K. However, even with that gloomy background, the new business we have sold has for the thirty-fourth successive year been a record. When inflation remains high for a number of years successive claims for "yet another record" might be thought to have a hollower and hollower ring. Rather like Alice, after she had passed through the looking glass, the figures for new business have to run fast simply to stand still. Only where the increase in annual premium exceeds the general increase in prices can we claim to have made real progress. For example, last year's new annual premium was 10% higher than in the previous year, but the comparable increase in retail prices was virtually the same. We can therefore say merely that we have maintained our position in real terms—a creditable performance in view not only of the difficulties I have already mentioned but also in view of the exceptionally large increase in new business we reported for the previous year. A week may be a long time in politics but a year is a short time in life assurance and a better idea of trends is obtained by taking a longer time span than one year. Since 1945, for example, our total funds which now amount to £2,550 million have increased, in real terms, over sixfold. This adds a more solid ring to my announcement that this is another record year. Since 1970 the new annual premiums for U.K. ordinary business have increased, in real terms, by over a third. That this is due in no small measure to the hard work and expertise of our field force is shown by the fact that this has been achieved with no increase in their number.

We continue to extend the range of policies. In October we set up a series of investment funds managed by our staff so that we could offer for sale for the first time policies linked to units in these funds. The first type of policy was a single premium Investment Bond and this, offered to the public on 29th October, has proved popular. The second, on 18th February this year, was a Capital Investment Bond by annual premiums. Policies to provide pension will follow later.

#### **PENSIONS BUSINESS**

We would not have expected the heightened activity which occurred two years ago as a result of the Social Security Pensions Act 1975 to be continued throughout last year, but in the event I am pleased to report that in the U.K. 162 new schemes, both insured and managed funds, were started. From all schemes the total annual contributions received last year were £121 million, an increase of 21% over the previous year. This comfortably exceeds the corresponding increase in prices. Indeed over the last ten years the amounts received have increased by over 50% in real terms.

A number of the schemes on our books has arisen as a result of our membership of insurope. Insurope is a consortium of major insurance companies in various countries, originally confined, as the name implies, to Europe but now extending as far afield as the American continents and Japan. Multinational companies find insurope useful as a means of providing life assurance and pensions for their employees in whatever country they work.

We have specialised in pension scheme business for over fifty years and have built up considerable expertise and flexibility of approach in the provision of services. These are explained in a new brochure entitled "Pension Scheme Services" which I recommend for study by all our group pension scheme policyholders and prospective policyholders.

#### CANADA

I am delighted to announce that during the year L. G. Rolland and W. D. Mulholland have accepted invitations to join our Board. Both were members of our former Canadian Advisory Board. Their knowledge of Canadian affairs is of great help to us.

During the last year we have concentrated on building up our sales force and continuing to produce types of policy to suit current conditions. Last year we wrote a satisfactory amount of new business and achieved an increase in total premiums received for both ordinary

business and insured group schemes, which is to the great credit of all the staff concerned.

We have also expended much effort in making arrangements to comply with the law of the Province of Quebec requiring the use of the French language. Our negotiations with the Office de la Langue Française regarding the use of French in our operations are continuing and we hope to be given reasonable scope in the use of English within our Head Office in Montreal and in our Quebec branches. In order to trade in the Province of Quebec the Company must, however, have a French name and to this end a Private Bill has been presented to the U.K. Parliament so that we may use the alternative name of Compagnie d'assurance Standard Life.

#### INVESTMENT

In the U.K. at 15th November 1979 about 40% of our funds at market value were invested in fixed interest securities, 30% in ordinary shares and 30% in property. There were good opportunities at various times throughout the year to buy both fixed interest securities and ordinary shares and in the event we invested £80 million in the former and £70 million in the latter. £27 million was invested in property last year and over the next few years we are planning to invest more than £100 million in that area.

Over the past few years the yields on good completed properties have fallen to such an extent that we have been increasingly unwilling to buy them and instead we have ourselves taken on the task of overseeing directly, or at any rate being closely involved with property developers, in the creation of shopping centres, office blocks and industrial estates. A recent example is the large complex now being built at Cutler's Gardens in London. When completed this will provide about 500,000 square feet of office accommodation, together with residential flats, shops and recreational facilities. Already completed and highly successful examples are the imaginative and popular shopping centres at Brent Cross in north London and at Stirling in Scotland.

#### **ECONOMIC SITUATION**

Since the war the evils of inflation have never been far from our minds but until a few years ago no real attempt was made to reduce it. However, the sudden large increase in prices and earnings that took place in 1973 heralded a period of much higher and more variable inflation than the previous, fairly steady, 5% per annum and it was only then that serious efforts were made. Until recently these efforts to curb inflation have concentrated on attempted control of increases in earnings. Although initially successful, such a policy leads inexorably to distortions in relative earnings which cause a build-up in pressure which eventually blows away the controls thus leading to worse inflation. We have seen this more than once in the last few years. The new Government has adopted a different approach which relies more on the control of the money supply coupled with market forces and we wish it every success. We also whole-heartedly support the attempt to reduce government spending. As Partrick Jenkin put it "the towering, frightening volume of public sector debt and the enormous burden of interest needed to service it, is one of the most ominous threats the country faces." The annual interest at the moment is running at a rate of £10 billion a year which is frightening enough, but if inflation does reduce substantially, this interest will become a real burden so large that it might even deter the Government from continuing to take the measures necessary to bring down inflation. This hurdle too must be surmounted.

We welcome the reductions in direct taxation, especially at the higher penal levels. We hope that in the country as a whole the increased incentives to work will result in greater efficiency and increased productivity. We are grateful too for the cessation of Exchange Controls because their removal allows us to invest our funds more freely so that we can produce an enhanced return for our policyholders. Before the controls were abolished, part of the market value of overseas portfolios consisted of the premium on investment currency. On the day the Exchange Controls ceased this premium, too, ceased, thus causing an immediate drop in value. This loss is to some extent illusory for, as my predecessor had occasion to remark four years ago, it is the income that concerns us, not the level of Stock Exchange prices on a particular day.

We acquired our overseas assets to provide us with an increasing stream of income—and this is unaffected by the presence or lack of an investment currency premium.

There is no doubt that it is in the public interest to encourage long term savings. The long established practice of giving tax relief on life assurance premiums has without a doubt helped the life assurance industry to play a major role in achieving this end. I hope, therefore, that the Government will consider very carefully before abandoning this practice in any future reform of taxes and allowances.

#### **VALUATION AND BONUS**

The yield earned on our long term funds has been increasing for some years now and for the first time since 1974 we have made corresponding increases in the rates of interest used to value individual assurance contracts. Having regard to the nature of the assets and liabilities concerned, the revised valuation basis, as set out in the Actuarial Report, remains by any standards exceptionally strong.

Last year saw a further improvement in the surplus earnings of the Company. Income from our ordinary share and property portfolios improved substantially and although the relative market value of our ordinary shares did not change much in consequence, the market value of our property investment was significantly enhanced. For the third year running, therefore, we have felt able to increase our rates of reversionary and terminal bonus in the United Kingdom and Republic of Ireland. These record rates of bonus fully maintain our reputation as a leading with profit Office.

This year sees a triennial declaration of bonuses under group life and pension schemes issued in the United Kingdom and the Republic of Ireland. During the past three years group life mortality has been relatively light, and the benefit of this good experience has been returned to policyholders. Group pension policyholders have benefited from interest profits earned on the accumulation of their premiums; the rate of bonus declared has been improved and indeed, with increased business, the total cost of the group pension bonus has more than doubled since three years ago.

In previous statements I have at this stage sounded a cautionary note. The past few years have been highly favourable in monetary terms and the benefits from increased earnings have been passed on to policyholders rather than being held back in the fear that current conditions may not continue. Although Standard Life is as well able to maintain its bonus levels as any company, it would be rash indeed to suppose that the current record levels could be maintained were investment yields to fall significantly from their present inflation-induced levels.

#### STAFF

Last October, after 47 years with the Company, David Donald retired from the post of General Manager and Actuary which he has held since 1970. Under his wise and able guidance, the U.K. premium income increased by more than three and a half times, whilst the number of staff employed today in the U.K. is virtually the same as when he took over. Despite the pressures of work, he always found time to meet and talk to the staff and at all levels he made friends and won respect. I wish to record our thanks for his outstanding service and to wish him many years of happy retirement.

To succeed him we are fortunate to have George Gwilt, who has been one of our Assistant General Managers, latterly in charge of Finance and before that as Pensions Manager. I am confident that under his leadership the Company will go on from strength to strength and we wish him well.

The work that has to be done never seems to become simpler. This year, for example, we were faced with a change in the method of giving tax relief on premiums. Our staff coped with this, as with all other problems, with their accustomed efficiency. Indeed the success of the Company in no small way depends upon the readiness and co-operation of staff in dealing with new problems and accepting changes arising either from new markets being developed or more efficient methods being employed and I would like to thank all members of staff for the part each has played during the past year.

# Standard Life

The largest mutual life assurance company in the European Community.

port to African

Angola.

A senic leaving

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' that

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South time to

How

# Pretoria admits getting Amin arms

Optimism follows meeting with E. Germans

BY QUENTIN PEEL IN JOHANNESBURG

ARMSCOR, the South African Organisation (SWAPO) forces claims that Armscor, although it state arms manufacturing and procurement organisation, confirmed yesterday that it had officeded a cargo of Soviet-made tanks and ammenition intended for delivery to the former sident Idi Amin of Uganda, in April lest year.

The cargo had been unloaded from a French ship in Durban. after information was received that it was destined for the West Africa People's because the Libyan Government on board.

terday with top East German

economics officials and came

German Agricultural Minister.

said he told the East German

leadership in his talks at the

Leipzig Trade Fair and in East

Berlin that the Bonn Govern-ment will do "everything to avoid tensions" in relations

on a more secure hasis.

war against South African troops in Namibia (South West Africa), an official said.

The commation follows ping company involved is fighting a legal battle with the Libyan Government, which originally dispatched the arms But the arms were offloaded to Uganda. Another of the com- when the ship put in to Durban pany's ships has been seized in a Libyan port, it is reported, 150 tonnes of ammunition were

The Soviet occupation

Afghanistan and the resulting

away with word that East American trade sanctions the current political tensions be

with a Polithuero member in

Mr. Cecil Parkinson, the Min-

ister for Trade, said he had had

successful talks with the East

German State Secretary for

Foreign Trade, Dr. Gerhard Beil, and with the East German

ministers for the Chemical In-

with East Germany. Bonn, he dustry and Metallurgy and the coal to East Germany said, wants to make every effort State Secretary for Science and back refined prodocts.

SENIOR WEST GERMAN and to "maintain normal conditions Technology.

British officials held talks yes- in Central Europe."

Herr Josef Ertl, the West East Berlin.

Germany wants long-term against muscow wants long-term against muscow with tioned in Herr Ertl's talks with Western companies in order to Herr Horst Soelle, the East German planning German Trade Minister, and

in Angola, fighting a guerrilla has agreed to pay, is refusing to officialed after arrangements pay the real value of the cargo.

It was reported here yesterday that the cargo of arms arrived at the Kenyan port of reports that the French ship Mombasa for delivery to Uganda on the day the Amin regime was overthrown, and the cargo vessel was turned around. to refnel. Ten tanks and about

"nothing spectacula:" about his

visit to Leipzig in the light of

tween East and West. He said

the message he had brought to

Herr Dieter van Wueten.

the State Secretary in the West German Economics Ministry,

said that in the talks with the

East Germans they stressed the

need for more five-year frame-

year's accord under which West

Germany delivers crude oil and coal to East Germany and buys

work agreements with West

Leiozig was "that I came."

Armszor said the arms were with the captain It said the action was not extraordinary. but common practice in view of

the war in Namibia. There have been no reports of Soviet tanks being used by the South African Defence Force, Lat the Rhodesian security forces have displayed some which are said to have heen captured in raids on

Similar agreements could be

the East Germans suggested,

and in consumer goods produc-

East Germany said it expects

to affer DM 5bn to DM 6bn (£1.25bn-£1.5bn) worth of con-

tracts to Western companies for

plant and equipment in the

five-year plan beginning next

West German companies are

expected to conclude some

with East Germany at the Liepzig fair for plant and equip-

ment, mainly in the chemical

Herr Ertl said there was reached in non-lerrous metals,

year.

German companies such as last DM 150m worth of contracts

# mines 'most promising'

THE MINING sector is the major area for potential growth in the Rhodesian economy, according to a report published by University of Warwick Statistics

Rhodesia's

This report has been compiled from a variety of published sources and discussions in the UK and Rhodesia but does not cover the economic policy which Mr. Robert Mugabe's Government might

It suggests that the extensive capital investment readed in the mining agricultural and manufacturing sectors after years of international vanctions will make the new Zimbahwe an attractive place for exporters.

The review points out that the lifting of sanctions should particularly henefit the mining and agricultural sections, producing a sharp increase in the volume of exports in 1980, thus strengthening the country's halance of payments position.

he report is avoilable from Warwick Statistics Service, Warwick University Library, Coventry CV4 7AL;

# Bos Kalis' Morocco project queried in **Dutch Parliament**

dredging and construction the motion accepted by Parlia-group, Bos Kalis Westminster, ment. The Finance Ministry has from the Meroccan Government granted Box Kalis a credit has raised questions about guarantee of F1 80m in conducts policy towards the nection with the order.

Western Sahara.

The FI 110m (522 km) order is for a fishing harbour to be built near the town of El Ayoune, which is in a disputed area of the Sahara, which was taken over by Marocco when

Mr. Henk Waltmans, az MP for the small left-wing Radical Party, has tabled written questions to the Minister of Foreign Affairs, Mr. Chris van der Klaauw, and to Mr. Karel Beyon, state secretary at the Economics Ministry, about the order. Parliament approved in Navember a motion calling for The Netherlands to do all it could to oppose the Moroccan occupation and to support the independence of the Saharan people within the framework of the UN.

Mr. Waltmans said be wanted to know to what extent the Government assisted Bos Kalis in gaining the contract and how

AN ORDER was by the Buich this could be reconciled with

had sought the advice of the gazrantee. The reaction of the Francisco Ministry was positive in view of the impact of the Spain withdrew from its African order on the Dutch trade balance.

Despite the view taken by Parliament, there were no formal objections to the company carrying ont the order, according to the Fereign Ministry. Box Kalis said the Government had made no objection to its seeking the order.

#### Linde order in Australia

By Our Frankfurt Correspondent

ICI Australia, the subsidiary of Imperial Chemical Industries, is shortly expected in award the A\$ 400m (£200m) contract for the construction of an ethylene plant in New South Wales to Linde, the West German proress plant engineering group.

The ethylene plant, which will have an annual capacity of 250,000 tonnes a year, will be built at Botany. Feedstocks will come both in the form of naphtha from Sydney refineries gas fields in the Bass Straft.

Technip in £111m deal for Iraq gas complex

TECHNIP and it signed a contract worth more than FFr Has (Ellin) with hose to provide a gas liquitying con-plex at Rabuly in course care

Production at the complex planned to start in 3

Patricia Newly Camberra milis Amstralia iraq yesterday signed agreement on tride, economic technical co-operation

Mr. Hanna Ali, the Iraci Trade Minister, who is visiting Australia, signed the agree-ment with Mr. Doug Authory, Australia's deputy Prime Minister and Minister for Trade and Resources.

Australia's exports to Iraq have increased by more than 100 per cent over the past three years, reaching A\$23m (£47m) last year and A\$86m in the first six munths of this financial year.

Iraq is one of Australia's largest wheat markets. Other exports include meat, grain handling equipment, medical and health equipment. Imports from Iraq last financial year were mainly

erude oil worth A\$95m.
The agreement provides for most favoured nation treatment between the two mental commission is to be established in meet regularly in Bughdad and Camberra to promote the objectives of the

#### *<b>"£600,000 SAYSWE WERE* RIGHT TO HAVE ECGD COVER"

As you would expect of a company which has won two Oueen's Awards for Export, the Baker Perkins Group (headquarters Peterborough) is not only successful but highly professional in its approach to the exporting of plant and machinery for the food, chemical, printing and foundry industries.

"Of course" said Franklin Braithwaite, Chairman (left), we make wide use of the finanpolicies - especially extended credit terms. But apart from that, with export sales of over £35 million last year in 100 countries, I don't think I could sleep at nights without export insurance protection which is good value for the premiums we pay."

"During the 1970s" added Managing Director John Peake, "ECGD paid us promptly claims of over £600,000 in markets where we thought we were safe. But with the current economic and political turbulence, how could anyone be complacent about the risk element



ECGD insures from date of contract or despatch of goods. Cover is available for contracts in sterling or other approved currencies for: Continuous sales worldwide of raward processed materials, consumer goods and production-line engineering goods.

Sales to and by overseas subsidiaries of UK firms 
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Services. ECGD also makes available: Guarantees to banks providing export finance, often at favourable rates of interest, including project loans and lines of credit to overseas borrowers 
Guarantees 
Guarantees Tenfant details call at your local ECGD Office.

To make an appointment or for information contact the Information Officer, Export Credits Guarantee Department—quoting reference is Cambridge, Bristol, London West End, Croydon or Tottenham offices; or Joan Swalles, Information Section, ECGD, Aldermanbury

# Daimler-Benz in Egypt trucks talks

DAIMLER-BENZ, the leading upwards, and an output of 1500 West German motor manufac- to 2,000 vehicles is envisaged turer, is considering the con-struction of a truck assembly The capacity of the plant is plant in Egypt. A decision in favour of going ahead with the project is expected in the next

A final site for the plant has not yet been selected, but the company has inspected both existing factories and greenfield sites. If a new factory is built, the total investment could amount to some DM 40m

It is not yet clear what direct share Daimler-Benz will take in the plant, bot an interest rang-

being planned for an output of 5,000 vchicles a year, a level which could be reached after about five years of operation. The plan is to serve the Egyptian market at least

during the first stages. But with its assembly plant in Saudi Arabia (annual output of 5.090), Daimler-Benz will clearly be in position to serve other Middle Eastern countries.

Last year Daimler-Benz built a total of 67,695 utility vehicles (commercial vehicles, trucks under discussion with potential and buses) abroad—an increase Egyptian partners.

If a decision is taken as plancompared with domestic producned in the next few weeks, the tion of 188,772. If has producplant could be in operation by tion facilities in ten countries, the autumn of 1981. The plant will assemble and a further 4 foreign assembly heavy trucks from 15 tons plants owned by licensecs.

# Turkey may improve credit payment terms

TURKEY may improve the money, bas been unfavourable terms it has offered for repaying up to \$1.9bn (£857m) of are looking for credits of more arears on unguaranteed supthan \$1.2bn from Western arears on unguaranteed sup-pliers credits. These arrears bave arisen on nearly 100,000 export transactions to Turkey on the basis of cash against goods or cash against docu-

On January 24, the Turkish Government announced it would offer two options to suppliers. The first was that creditors would be paid in Turkish liras over up to two years. These liras could then be used for various purposes in Turkey. The second was that the creditors would be paid back in foreign exchange over 10 years with a 54-month grace period.

general reaction by suppliers, many of whom have than three years for their according to one banker.

This has caused the Torks, who governments this month, to start a campaign to allay business concerns.

Mr. Turgut Ozal, Under Secretary to the Turkish Prime Minister responsible co-ordinating economic policy. is now in London. He said yesterday that one of the yesterday that one purposes of his trip, which bas taken him to West Germany and will include Belgium and France, is to talk to business-men about their views and then to see how they can be met:
"It is our good wish to do the best," be said.

improvement of the terms offered could also help increase the credits available already been waiting for more for Turkey from the banks.

# Malaysia to change oil sharing policy

BY WONG SULONG IN KUALA LUMPUR

duction sharing agreements without giving these incentives with foreign oil companies, but to Esso as well. instead would offer contracts

hased on monetary payments. hundreds of millions of dollars, ing for nearly \$40 a barrel. because it was not getting the benefit from the sharp increases

ments with Shell and Esso in production sharing. 1976 and, according to Dr. Mahathir Mohamed, the Deputy barrels of oil daily, and about Prime Minister and Trade and 40 per cent goes to Shell and Industry Minister, the agree Esso under production sharingment specifically forbids the Dr. Mahathir confirmed Malaysian Government to make Petronas, the Malaysian oil comany readjustments that might affect the profit of the two oil

Esso's agreement also states

THE MALAYSIAN Government that the Malaysian Government announced yesterday that it can not give any special incer-would not sign any new pro- tives to other nil companies

At the time of the signing Malaysisn oil was fetching \$12 Malaysia felt it was "losing" a barrel, but it is currently sell-

The two oil companies pay 35 per cent income tax (5 per cent in oil prices under the current less than other business conproduction sharing agreements. cerns) and Malaysia now fints It signed three such agree- it is losing out heavily on the Malaysia produces 317.000

> pany would sign an agreement with Occidental next month to explore and develop gas of

Trengganu state

hip in deal completion

The state of the s

mpro

**British Aluminium lifts** aerospace metal output

BY ROY HODSON

ALUMINIUM is trebling its output of aerospace boom in the world aircraft

in the 1980s, with a presence aerospace market is unlikely in American and Far Eastern to reach a peak before 1985.

Facilities for rolling aero- releasing details of its strategy space sheet at the group's for entering the world aero-Falkirk works in Scotland are space aluminium market.

Mr. Keith Rugg, British European producers. Aluminium's group marketing sheet metal to cash in on the director, said yesterday that BA's aerospace metal sales are likely to exceed £20m in 1980, The group is out to win a compared with £15m in 1979. substantial share of the Euro- The business is expected to conpean market for abeet and other tinue to develop rapidly for forms of aerospace aluminium several years. The European

being improved to cope with A joint production and orders stretching into 1981. marketing drive will concenjoint production ond When the work is completed in trate on the production of sheet

British Aluminium is alowly

be able to produce sheet worth
forging material, leaving craft plate production to Alcan
and Pechiney, the two big

# Motoring law review

THE GOVERNMENT'S review out of motoring laws could offer a said.

new deal for motorists in the Tal

Mr. Fowler told a conference of road safety experts at the RAC's London beadquarters be was against extra motoring laws and was looking for simpler systems to lighten the load on

He said the present totting up procedure was a blunt instrument because an endorsement for a minor offence such as having a defective stoplamp carried as much weight as an endorsement for a hit-and-run

approach, he said.

Mr. Fowler said be was also in motorcycle training.

"It is surely madness for any-

strengthening the management and production facilities of High Duty Alloys, the aero-space-orientated company it bought a year ago from the Hawker Siddeley Group for £6.5m. High Duty Alloys has been given an extrusion plant at Warrington which bitherto made commercial-grade aluminium, and is being managed as a separate entity within

the group. Another British Aluminium subsidiary, Magnesium Elek-tron, of Manchester, which makes magnesium alloys for aircraft parts, has been included

in the aerospace sales drive.
Two BA stockholding companies in the London area and a third in Paris are being geared to aupply the European market.

Mr. Louis Cazeaux has been

appointed group aerospace sales manager to co-ordinate the pro-duction units and companies. The group's technical aerospace team is also being strengthened.

British Aluminium's new drive on the world aerospace market oulside Europe will start with a sales team attending the Chinese Air Show in Shanghai in two weeks. BA has sold primary aluminium ingot to the Chinese and bopes the expansion of the Chinese aircraft industry will open up a new market for

aerospace metal alloys.

Aluminium

bave major repercussions on coal stocks some 3m tonnes Britain's power plant manufac- bigher than usual at this time

At the centre of the dispute is the Board's 1980-81 financial year cash limit—the amount the Government allows it to borrow externally.

Unless relaxes the limit for the electriindustry - £187m - the Board says it will bave to reduce sharply its capital expenditure programme, possibly by £200m out of a total £600m.

#### Delayed

That could mean delaying the second British - designed advanced gas-cooled reactor (AGR) nuclear station it is planning to build at Heysham in Lancashire. A postponement there would probably mean a similar fate for the planned AGR at Torness, Scotland. The two have been planned in parallel. As it is, the start of construction at the two stations bas been

delayed for technical reasons from this spring until August. The result could be major problems for the British nuclear plant industry, relying on the two AGRs to tide it over the next three years until work starts on the nuclear expansion programme announced by the Government last December.

the Central Electricity Generat- says, is this winter's much lower in demand during winter. ing Board about the Board's demand because of the mild finances. The outcome could weather and strikes. It also has of year, representing unused

> The Board originally boped to make an £88m profit in 1979-80- (£65m last year), but now a small loss seems certain.

capital of more than £100m.

The Board has told the Government that, unless its cash limit is raised, it will either have to raise prices still bigber than the 22 per cent planned this year or slash its capital expenditure. The options for spending cuts include:

• Deterring construction at Heysbam, now due to start in August, for between six months and two years, depending on other savings.

Cotting the Heysham costs by using in it two generating sets originally designed for the Isle of Grain oil-fired station in Kent, where strikes have halted

Mothballing the Littlebrook D station, also in Kent, due to be commissioned in the next two years. Ordered before the 1973/74 oil price rise, this oil-fired station will be expensive

or prematurely closing some

TOUGH negotiations, are going Why is the CEGB so starved elderly power stations, main-on between the Government and of cash? Part of the answer, it tained to cushion against surges

NEWS ANALYSIS—MARTIN DICKSON LOOKS AT THE CEGB'S CASH PROBLEMS

could effect the National Coal demand for steam coal when productivity and output is rising appreciably for the first time in years. With the Generating Board committed to importing 4m to am tonnes of coal in the coming year, there must be doubts about its ability to meet its undertaking to buy 75m

Because of slower economic growth, electricity demand is expected to remain static until 1981-82 rising modestly to 239.4 terawatt bours (1 terawatt hour =1bn kilowatt bours) io 1986-87 —only 6 per ceot bigber than now and 8 per cent down on previous estimates.

The Government is still debat-

CEGB · Lowering coal stocks. This Electricity demand iromically cutting forecasts

tonnes from the Coal Board. The CEGB is able to underpin its financial arguments with new electricity demand forecasts that substantially less generat-

#### Debating

ing its response, but it seems extremely unlikely that the Board is to get any relaxation of its cash limits. Mr. David Howell, the Energy Secretary. Reducing the repair and maintenance programme, which in the Commons on Monday.

One indication of the way the thinking is Government may be thinking is

ing capacity will be needed in the mid-1980s.

the assessment being made by the Central Policy Review Staff (Think Tank) of the effects on the nuclear plant industry of a delay at Heysbam and Torness.

The Think Tank team is likely will be told any appreciable delay is bound 10 mean loss of jobs in a sector which has not had a new nuclear order since the early 1970s and which is now completing the last of its work.

It will also be argued that investment plans.

Curbs on the energy industry it that much more difficult for the sector to cope eventually with the expansion programme. Under that plan, one new station a year is to be started in the decade from 1982, although this schedule already shows signs of alipping.

At the same time, some members of the industry say delays at Heysham are inevitable because of the Government's failure to go ahead quickly with ils planned reorganisation of the National Nuclear Corporation, responsible for the building programme.

#### Cash limits

The decision on the Board's investment programme it is bound to displease someone. What finally emerges is likely to be an uncomfortable trade-off between four factors which are difficult to reconcile:

The Government's commit-ment to tight cash limits and a slashed public sector borrowing requirement: the health of the nuclear plant industry: the Government's long-term committo get an angry response from ment to nuclear powers, and the many parts of the industry. It uncertain equation between medium-term electricity supply and demand.

> Juggling with these issues is far from easy. It is likely to be some weeks before a clear idea emerges of the fale of the two AGRs and the Board's other

# may offer 'new deal' out any form of tuition," be

1980s, Transport Minister Mr. sations have revealed a need Norman Fowler said yesterday, to restrict learner riders to smaller machines than the pre-

magistrates' courts.

A penalty points system would allow a more flexible

looking for a big improvement

Talks with interested organi-

sent 250 cc limit. "There bas also been considerable support for the idea of restricting the number of provisional licences which a learner driver can bold and I intend to make an announcement about future policy as

soon as possible," be said.

Mr. Fowler said the risk of a
motorcyclist being killed or
injured was 30 times the risk for car drivers.

The review of traffic laws is

being carried out by a working group from the Home Office and the Department of Transport. One option the group is con-sidering is whether the present fixed penalty system mainly applied to parking, light-ing and tax disc offences one to take a motorcycle out on could be extended to other the road for the first time with-offences.

## **Shepherd Neame brewing** capacity rising 50%

BY GARETH GRIFFITHS, LABOUR STAFF

SHEPHERD NEAME, the meant the company's annual independent family brewer in Kent, has completed a £2m investment programme at its faversham headquarters brewery to produce at that which will lead to an increase rate. of 50 per cent in brewing

The investment programme includes a £500,000 mill-house will be opened this

scheme bas been produced in the UK. Some was imported from France and Sweden.

Shepherd Neame had been living from band to mouth in the past few years. band to mouth in the past few years because of insufficient capacity.

The new brewing house

New brewery equipment includes a 120-barrel copper whirlpool understood to be the first in the industry. Most of the equipment used in the new

it owns. Last year company turnover was £8,801.000 and pre-

#### tax profits were £853,000. Probe into ruling against building society premises

FINANCIAL TIMES REPORTER

A PUBLIC inquiry will be beld in Galashiels next week into the Border Regional Council's to allow building societies to open up High street

region's development committee said it was firmly opposed to more societies obtaining premises and last year refused the Halifax permission to open a Galashiels branch. The committee says societies and insurance companies bave virtually taken over the region's main streets. Before it

threw out the Halifax applica-

tion, it turned down a similar one from the Northern Rock to open up in Kelso. The Halifax already bas an office in Hawick with agents in some of the other main Borders' towns and said that with cus-

tomers increasing in the area an office in Galashiels was needed The Council said: "We are not against building societies establishing offices in the Borders, nor are we trying to keep out insurance companies or any other reputable financial

company. On the contrary, they is domination of principal shop-

ages, leaving the main streets for traders."

The Building Societies Association said: "Like the banks, societies need to be seen as much as possible. There is a lot of off-peak business, apart from the advertising value. The banks are not theked away round a back alley, so why be huilding societies

It is claimed that Galashielsnow the busiest and most prosperous central borders towohas more building societies per bead of population than any other town or city in Britain But in spite of this, there are a number of towns in the

region with none at all. A number of societies are actively trying to establish agencies in the area and one with beadquarters naar London bas been looking for a suitable varant shop with the aim of opening its first Scottish branch.
It would not be interested in anything less than a window at street level in a busy thorough-

The public inquiry was ordered by the Scottish Scoretary after strong protests by the Halifax-not so much against ping streets by societies and the the Development Control Com-like. We would much rather mittee's decision—but against have them in secondary front- the reasons for it.

#### Brokers backing chess tournament

ships in Brighton from August 4-15 for the third consecutive

Mr. John Brew, a managing partner, said the sponsorship reflects not only the strong interest in chess within Grieve-son Grant, but also the following the game has among investors. The first prize has been increased to over £1,200 this year,

and Grieveson Grant bas agreed

GRIEVESON GRANT, one of this year's championships, to the larger firms of stockbrokers, enable the prize money for the will sponsor the 1980 British Ladles Championship to be Chess Federation Champion doubled and prizes in other events to be increased as well.

#### Catamaran trial

SEALINK is chartering a 160seat high-speed catamaran for a seven-day trial on its Portsmouth-Ryde (Isle of Wight) service. catamaran is a possible replace to contribute over £9,000 for ment for conventional ferries.

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# losses 'should be shared'

By Ray Perman, Scottish Correspondent

THE SCOTTISH Development Ageocy may bave less than a mooth to find a buyer for all or part of its 76 per cent bolding in Stonefield Vebicles, in which it has invested almost

The Government is understood to bave set a limit on the amount of the company's operating losses that the agency sbould bear, and has urged it to find a partner to help solve marketing

Stonefiald, which is the agency's higgast investment, manufactures a weight, cross-country truck which baa been widely praisad but is proving difficult to sell in sufficient numbers to make the project viable.

The Ministry of Defence took much longer than expected to approve the vahicle, which has layed plaos to sell it to foreign defence forces. The workforce bas been cut to 100, but the company is still losing money

The agency began looking for a partner last year, and was talking to a U.S. businessman, Mr. Joseph Tripoli, whose own company, Via Motors, of Buffalo, makes a four-seat utility vehicle. He was thought to have useful marketing expertise.

Tha talks were discontinued last waek and the agency's maiu hope now is a UK group, although there are still prospects of finding a potential buyer in Europe.

The effective deadline will make negotiations over a possible sale difficult, although the Government is believed to have indicated that if a serious buyer comes forward, it might be willing to continua agency support to see the company through a transitional period.

In any event, the agency is entremely unlikaly to recover

# Stonefield Public sector debt £8.06bn in 11 months

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

revenue and expanditura have £8.06bn, compared with £6.74bn risen faster than expected in the first 11 months of the financial year, msicly because of the acceleration in the general rate of inflation.

Treasury figures for central Government transactions in February, published yeaterday, support recent indications by Sir Geoffrey Howe, the Chan-cellor, that public sector borrowing in 1979-80 is likaly to be nearly £9bn. Government borrowing in

Fabruary was £348m, compared with £334m a year ago. The catching-up of delayed pay-ments of VAT at the higher rate helped, hy boosting Customs and Excise receipts to three-fifths more than in the sama month a In contrast, the Electricity

Council is believed to bave borrowed from the National Loans Fund to rapay overseas debt, with no net effect on national public sector borrowing as a sharply.

GOVERNMENT first 11 months of 1979-80 to and price rises.

at the same stage of 1978-79. A total of £9.56bn was projected for the current financial year in the June Budget. The pattern of borrowing in 1979-80 has been complicated by

the timing of direct and indirect financial year. tax changes, spending cuts and various special oil payments. Consolidated fund revenue to The broad trend is clear. It is that, before taking account of

the £700m accelerated payment of Petroleum Revenue Tax anoounced in November, public sector borrowing looks like being st least £1.25bn higher than last June's estimate of £8.3bn. Tha excess bas been trimmed to nearly £9bn by the PRT payment.

The ovarshoot, which is wall within the forecasting margin of error, reflects the fact that the slippage has been slightly greater on speoding than on reveoue and that horrowing by nationalised industies bas risen

This takes borrowing for tha the delay between rost increases payments on the National Debt.

Cantral Government lending to nationalised industries in tha first 11 months of 1979-SO was £906m, compared with a net repayment of £226m a year ago and projected borrowing of £275m for the whole current

the end of February was roughly 22 per cent higher than a year earlier, compared with last June's projection of an 18 per cent rise for the full year. Consolidated fund expenditure-the major component of public spending—to the end of February was 19 per cent higher, compared with a Budget forecast of a 15 per cent rise

for the year. There was a smaller over-short of 17 per cent-against 15 per cent-for supply services spending on the main de partmental programmes. The difference is explained by the rise in the Consolidated Fund The latter may result from sbare of servicing the interest

# Britons spend more on holidays

BY ARTHUR SANDLES

holiday spending by the British last year, both in the UK and abroad, has heartened travel agents. There had been gloomy forecasts for the coming season,

UK residents speot 39 per cent more on their holidays in 1979 than 1978, according to figurea given to the Association of British Travel Agents' convention in Bournemouth.

In Britain speeding was up by 40 per cent to £2,4bn and abroad by 38 per ceot to £2,6bn. The figures are from the British Tonrist Authority's national traval survey for 1979.

Earlier, the conference heard gloomy predictions that spend ng power in Britain would be substantially reduced in the immediate future, and that strong pound and rising fuel costs would deter oreign visitors. abroad last year was £246, But the BTA survey suggests 22 per cent mora than in 1973. foreign 'visitors.

SUBSTANTIAL increases in tourism is considerably mora re- Average spending in Britain on silient than other consumer

It shows Britons took 38.5m holidays in tha UK last year, slightly fewer than in 1978. A record 10.25m holidays were taken abroad, a rise of 1.25m on the 1978 figure. The boom in traffic to Yugo-

slavia bas slowed ronsiderably. as people worry about the country's prospects. Spain remains the most

puler

foreign destination, although the portion of holidays spent there in 1979 declined to per cent from 30 per cent in In Britain, the West Country is most popular with more than

spending at laast one night a year there. Average spending per person

a fifth of British bolldaymakars

holidays of four nights or more was £82, compared with £44 in 1978.

A main theme yesterday was the cost of British airport security checks. The cost has risen substantially recently and forms an appreciable part of surcharges going on some

• A leading package boliday chiaf yesterday hit at Government departments and quangos "over holiday rosts. Mr. Keoneth Franklin, head of the Horizon company, said the Trade Department was almost 100 per cent out in forecasting the rise

in airport security costs.

Instead of a planned rise of about 30p to £1.10, it was suddenly decided to push this up to £1.60. This meant the extra boliday charge for a family of four was up from £3.20 last year to £6.40. next month, he told

# Blowout as Argyll drill hits gas

By Ray Dafter, Energy Editor

A NORTH SEA oll team yesterday successfully tackled well blowont in the Argyll

Twenty-eight support staff were evacuated from the drilling rig, Ocean Kokuei, as a precaution while Hamilton Brothers, operators of the Argyll field, flew emergency decompression equipment from Aberdeen in case deep sea divars needed to be moved from the rig.

The blowout started when a drill struck a gas pocket. Hamilton Brothers said drilling operators saw a small amount of gas bubbling to the



The gas was found to be seeping up through the well casing. To cootrol the blowent the drilliog team perforated the well to relieve the pressure. They controlled the flow of gas by pumping down thick chemical mixtures known as drilling mnds.

Last night experts were deelding whether to abandon the well—the 13th on Argyll fields block 30/24. The hole was being drilled about a mile from the converted semi-submersible drilling rig. Transworld 58, which is tha production centre of the small oll field.

The Ocean Kokuai bad 73 on board at the time of the incident. The 28 who were evacuated were moved to the Stirling Asb standby vessel while two divers were in dacompression chambers on the rig. The portable decompression equipment was flown from Aberdeen as a precan-

Hamilton Brothers said last night nobody was injured in the incident. Other companies In the Argyll consortium are: Associated Newspapers, Kleinwort Benson, Rio Tinto-Zinc and Texaco.

#### Shell, BP evidence 'still secret'

By Raymond Hughes, Law Courts Correspondent

EVIDENCE given by Shell and BP to the Bingham inquiry on Rhodesian sanctions busting is still confidential, the Court of Appeal was told yesterday.

It would he absurd if assurances of confidentiality given to the two companies at the time of the inquiry were not to continue after the sanctions order endad, said Mr. Peter Curry, QC, for Sbell.

Shell and BP had consented to the coofidentiality being waivad as far as concernad extracts from their evidence being published in the Bingham Report, but no more, Mr. Curry told the Master of the Rolls, Lord Denning, and two other appeal judgas.

Shell and BP are opposing a challenge by Lonrbo to s High Court judge's decision last week that the oil companies' Bingbam documents were covered by Crown privilege and could not be made public.

They have not, as suggested by the headline to yesterday's Financial Timas report of the bearing, withdrawn their objec-tion to disclosure of the documents.

#### Legal battle

A claim for claim privilege, more correctly known nowadays as a claim of "public interast immunity," can be made on behalf of the Government when It believes that disclosure of certain information would not be in the public interest.

Lonrho says that Shell and BP's Bingbam documents are crucial to its legal battle against the two oil companies, which is due for arbitration in Juna.

The arbitration is one part of Lourbo's £100m damages claim against 29 oil companies over allegad sanctions busting.

Last week Mr. Justice Robert Goff said that if assurances of confidentiality, given to ensure Shell and BP's full co-operation with the Bingbam inquiry, were not bonoured, such co-operation might not be forthcoming in future inquiries.

The hearing continues today.

# Cement makers agree peace plan

BY ANDREW TAYLOR

impact of future price rises on the construction industry.

agread to postpone plans to ask the Government to review the manufacturers' common pricing agreement. The decision was reached at

In return, contractors have

a meeting between the Cement Makers' Federation and the Federation of Civil Engineering Contractors yesterday. The contractors said they had been given only 18 days' notice of this month's 24 per cent in-

crease in the price of Portland rements, the most widely used on construction. The contractors' federation is seeking closer liaison with manufacturers on price trends. It bopes subasquent increases

night be stagad over 12 months to lessen the impact on low margin fixed-price contracts. It says some kind of early-

CEMENT manufacturers have warning system, aligned to agreed to put forward new pro- a well-defined timetable for posals affecting the timing and cement price rises, would impact of future price rises on enable contractors to take enable account of future likely material costs when negotiating such contracts.

About 90 per cent of civil engineering contracts involve public-sector work, most of which is subject to fixed-price

Contractors say the sharp rise in cement prices from March 1 means that a number of contracts negotiated at the end of last year will now either be loss-making or at best break

The cement makers said it had been impossible to give an earlier warning on this occasion. Only a day before their own announcement they had been told of a 20 per cent increase in

The makers' fedaration is expected to make a further announcement on pricing policy later this week.

#### Insurance brokers' chief

BY JOHN MOORE

chairman of Lloyd's of London, is to become non-executive Britisb Insurance Brokers' Association, the main professional body for insurance brokers.

He will succeed the present chairman, Mr. Francis Perkins who is to retire later this year. The executive duties of the association chairman's rola are to be undertaken by Mr. Micbael Morris, a former under-secretary of the insurance division at the Department of Trada.

Mr. Findlay, 62, was chairman largest of Lloyd's from the beginning group.

MR. IAN FINDLAY, former of 1978 to the end of last year. During his term of office: Mr. Findlay and the Lloyd's ruling committee instigated an internal Lloyd's inquiry, under tha chairmanship of Sir Hanry Fisher, into self-regulation within the market.

> Mr. Findlay chaired the Sedgwick Forbes group, one of the largest UK insurance brokers, before he became chairman of Lloyd's. Sedgwick Forbes later merged with Bland Payne and has become the UK's insurance broking

#### Petrol systems factory to close

Industry Correspondent

DRESSER WAYNE is to close its petrol dispensing systems factory at Brackwell, Berkshire, in June and 239 out of the 300 workforce will lose their jobs, The company is part of Dresser Industries of Dallas, U.S. which has a \$8bn turn over. Last month it announced the closure of its Manchester factory, which produces drill bits for the oil industry, with

the loss of 142 jobs.
Dresser Wayne said the decision to end manufacturing in the UK was taken because the market for petrol dispensing systems was falling each year while the cost of development and manufacturing was rising. It was more economic to con-centrate manufacture in the

The high valua of the pound also contributed to the decision to close—50 per cent of Dresser Wayne'a output was exported but demand has been vary weak in its main markets—Turkey, Iran and Nigeria.

Dresser Wayne said yesterday it will continue to market sad service systems in the UK and from the end of this year will be importing a new range from

the U.S.

In the past few years Gilbarco, the Esso subsidiary, has captured a major abare of the UK market for petrol dispensing systems and has an estimated 50 to 60 per cent. Other UK-based manufacturers include Avery Hardol, the GEC offsboot; Bennett Beck, owned by Molson Industries of Canada and Tokhelm, part of another

U.S. group.

Willenball Manufacturing is to make a further 100 employees redundant at its Wolverhampton car component plant where 283 jobs were cut

# Steel secrets were 'leaked' to Granada television

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

policy documents were leaked to Granada Television's "World in programme, a high court judge was told yesterday.

After using them in a pro-gramme broadcast on February documents — baving first cen-sored them to conceal the source from which they bad

The Corporation asked the Vice Chancellor, Sir Robert Megarry, to order Granada to name the source.

Mr. Hoffman said the docu-ments included very high level confidential papers dealing with BSC's commercial and labour relations policy. Among them were board minutes and reports of communications from the Industry Secretary, Sir Keith Joseph.

"According to Granada they were given the papers by an unidentified person — presumably employed by BSC—out of a keen sense of indignation about dealings between BSC and the Government before and during the present strike," said Mr. Hoffman.

Granada said in the programme that none of the documents bad been intended for were eating into their savings.

publication. Great emphasis But there was almost no comwas placed on the fact that a

large number bad "secret" steel workers and either BSC or
stamped in very large letters on the union laadars.

BSC and been anxious to get the documents back to enable them to identify from markings tha person who had banded them over to Granada, said counsel. The documents bad had restricted circulation within the BSC.

Granada's solicitors had returned two boxes of documents that were "mutilated or cen-sored" to remove any identification msrks or manuscript markings which might enable BSC to identify the person who bad handed them over.

The inference was that this covered far more than the tradi-

BRITISH Steel Corporation was done to conceal Granada's had Granada not deliberately source, said Mr. Hoffman. The World in Action programme was screened for the judge in court.

Mr. Hoffman said it was clear from the programme that both the documents were confidential and "It is quite arrogant for them to say they bad a public been obtained, said Mr. duty to disclose the documents Leonard Hoffman, QC, for BSC. in the public interest, he said. in the public interest, he sald. Whatever the freedoms of the Press, they dld not include the freedom to receive Stolen property, even though It was

bonestly handled. There would have been no need for BSC to come to court

defaced the documents, said Mr. Hoffman, Mr. Alexander Irvine, QC, for Granada, said that the conduct of both sides in the 10-week-long

It was plainly the view of the media, and also, perhaps, of the public, that neither side should be entitled to conduct its affairs

steel dispute was of great public

in secret. He contended that the cour could refuse to order disclosure of sources of information where to do so would be in breach of

ethical or social values involve ing the public Interest."
The hearing continues today.

## 'Open management' plea

Marks and Spencer, yesterday as a typical example of the failure of human relations in much of British industry.

On a visit to M and S stores in Swansea and Llanelli last week, he found steel workers' wives in an embittered state, he told members of the Press Club. Their husbands bad baen on strike for 10 weeks and thay

He said many did not know what BSC's real offar was and the first they beard of developments in the dispute was from Angela Rippon on television. Lord Sieff considered that If the present offer bad been made at the beginning it would have baen accepted. The initial 2 per cent was never acceptable and should never bave been made. He said be approved of the present direction of Government policy, but emphasised that the law alone could never

be a aubstitute for good human relations. Which

relations,

THE STEEL dispute was citad tional industrial relations sub by Lord Sieff, Chairman of jects, such as wages and hours.

Marks and Spencer, yesterday Lord Sieff called for open management and said be considered that "very little really needa to be kapt confidential." He advised industrial leaders

to make use of their own staff amenities, whether canteens or cloakrooms. "Quite a faw members of top management know nothing at all about staff conditions." But, he said there were a number of militant trade union leaders who wanted to change

the social and economic system This underlined the casa for secret voting on matters such as top union appointments and strike decisions. But his main emphasis was on the need for leadership by top management. He cited IBM and United Biscuits as organisations

where a buman relations approach had brought with It profitable progress. Two more arrests were made outside a GKN steel stockholding plant at Newport, South Wales, yesterday, aftar strikers tried to prevent lorries from leaving. It was the latest of several incidents there since the

# Old Masters fetch £213,000

A PAINTING entitled malolica and Brussels faience totalled £9,063 and the hats shipping in a stiff breeze" by yesterday which totalled alone £4,177. About 10 per cent tha Dutch born artist William £162,465. The price was well were left unsold. Top prices van de Velde the Younger sold over double the forecast. for £32,000, four times its estimate, at Pbillips yesterday. Van de Valde livad at Greenwich and worked mainly in England lo the 17th century, It was bought by the London dealer Paul Mitchell.

Britiab buyers were active in the sale of Old Masters which totalled £213,200. Mitchell again paid £23,000 (around five times the forecast) for a still-life of flowers and butterflies signed and dated 1666 by Ottmar Elliger, the Swedish specialist in floral paintings, while Lisbon

century artist, the Dutchman Matthens Molaous. A Florentine "oak leaf" jar dating from the first half of the 15th century sold for £25,000, plus 11.5 per cent buyer's premium and VAT, at a

Sotheby's auction of Italian

The price was well

The jar was bought by a Canadian collector, Gardner, who also paid £17,000 for an Urbino Gubbio-lustred istoriato disb, painted by Xanto in 1534. and £16,000 for an Istoriato dish of about 1525. A faenza albarello of the late 15th can-

#### SALEROOM

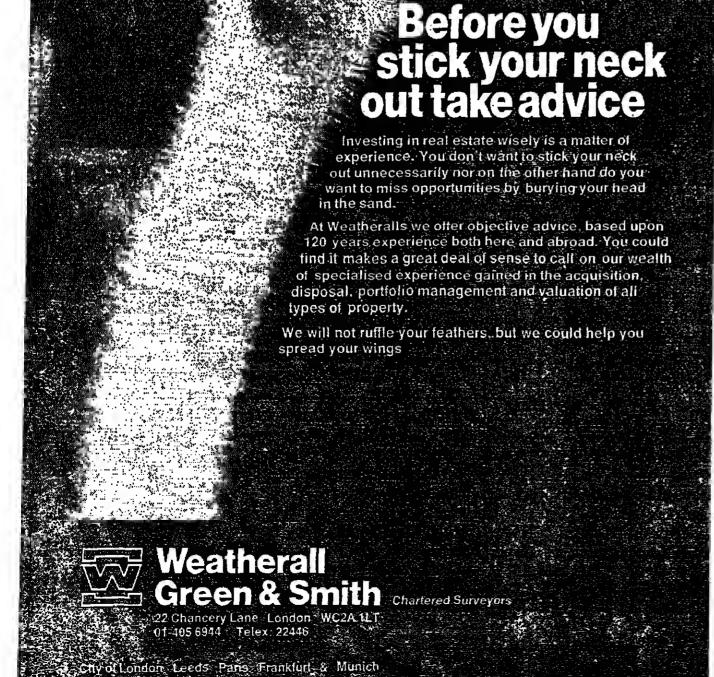
BY ANTONY THORNCROFT

tury realised £12,500. In the gave £11,500 for a woodland Continental pottery and porce-laid sale, Davies Antiquea bought a 23-piece Meissen tea scene attributed to another 17th. service of 1770 for £5,500.

Christia's South Kensington disposed of the bats and other items of costume collected, and often worn, by Mrs. Doris Langley Moore. The sale

which totalled alone £4,177. About 10 per cent were left unsold. Top prices were the 5210 for a straw bonnet of around 1840 and, among the modern hats. £40 from the Victoria and Albert for a "flying saucer" hat by Christian Dior of around 1951. and the same for a red cire straw hat of around 1929 probably by Marshall and Spelgrove. Shoes were in demand and the Northampton Museum paid £170 for two pairs of kid shoes of around 1880. Ten late Victorian corsets were bought

> A pair of large 19th century satsuma vases and covers sold for £6,500 at Christie's sale of Japanese works of art which totalled £121,760. A fine enamel compressed glubular bottle vase of the late Meiji period went for £5,500. Among the English 55,500. Among the English drawings and watercolours, a pencil and watercolour of shipping by Edward Duncan



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And by using new high strength plastics, where metal was unnecessary, we lightened the load on the engine even further. In fact, the Audi 100 is still the lightest car in its class.

As well as its temperate thirst, the 100 also displays an unusually light appetite for routine attention.

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The Audi 100 five cylinder.
The car for now.

BY R Japan's prompti Bank o another discoun few day The price in from J: rose 2 increase a 3.9 pe 1974, di

At 127.2 cent hi that w have : reflecte climb montha modity

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# Jenkin's 'no comment' on Temple gossip

By John Hunt, Parliamentary Correspondent

ALLEGATIONS WERE made in the Commons yesterday that Mr. Patrick Jenkin, the Social Services Secretary, failed to consult Government law officers before deciding to suspend iding to Southwark acc Health Lewisham Authority fast year.

Mr. Jenkin appointed Commissioners to run the area because the authority refused to keep within the Government's cash limits, but recently the High Court ruled that his action was invalid and, as a result, the authority is now being reinstaled.

Yesterday, the Commons was position for the period which the commissioners have controlled the affairs of the area.
Mr. Michael English (Lab.,

Nottingham West said it was common knowledge within the legal profession that the Attorney General and Solicitor General were not consulted and were therefore not responsible

But Mr. Jonkin replied that he would not comment on "Temple gussip." It had never been the practice of Governments to disclose whose advice they took on a particular action. Despite the judgment of the court, Mr. Jonkin said he was right to have put In Com-

missioners.

There had been a consistent refusal by the Authority to live within its income, and there had been "deliberate defiance" of cash limits.

Mr. Jenkin agreed that he could legitimately be criticised for fulling to take action in a way that was both lawful and effective.

But I have not the slightest hesitation in declaring that I was totally instifled in taking setton to bring the matter

#### PM queried on Prior

outstand in the Commons accorded that her public contents of Mr. James Prior. "" Emplie ment Secretary. I'm B am Junes (Lub., East Time Minister consistently in termina and humiliating " Employment Secretary? the seas Spirit

# line on EEC budget

IF A MORE equitable system of Thatcher that in seeking to drawal from the Community. balance hy retaining some or all of the VAT reveoue which is now handed over to Brussels, Mr. James Callaghao, the Opposition leader, suggested in the Commons yesterday.

This new hard-line approach was strongly endorsed from the Labour backbenches. The Prime Minister, who had

earlier reaffirmed her commitment to keeping Britain in the EEC. made a cautious response. But she did agree with Mr. Callaghan that during the entry negotiations conducted by the said. Heath Government it was stated that if an unacceptable position debating a Bill to regularise the arose over the level of budget cuntributions, it would be for the Community to find a solution to the problem.

"An unacceptable position

THE GOVERNMENT faces

open revolt from all local anthorities and their Tory-controlled associations over

Its refusal lo compromise un

controversial parts of the Local Government Bill.

committee stage of the Bill yesterday when Mr. Tom King, Local Government Minister, annoninced that the

Government was rejecting all

the anthoritles' alternative

proposals to reform of the rate support grant. The local

authorities had been hoping

for at least some gesture of compromise and their Tory-

allied themselves to the Labour opposition in the

The hreak with the associ-

ations is now so complete that they have chosen to table 39

amendments to financial pro-visions lo the Bill through

opposition Lahour memhers

rather than through their Tory party colleagues.

have heen tabled so far and

the committee has reached only clanse 29 out of a total

The Government needs the

Bill on the statute books this

session and fears that time

may be running short, particularly as some opposi-

More than 300 amendments

committee,

associations have now

The final split came in the

contributions to the Community reduce Britain's net contribu-Budget is not agreed at the tion to the Community hudget EEC summit later this month, at the Brussels summit, she Britain should redress the should have the full support of

the Commons. He recalled that in the entry oegotiations when the need for action to deal with an unacceptable situation was acknow-ledged, it had also been envisaged that expenditure on tbe Common Agricultural Policy would be reduced to below 50 per cent of the total

"It is quite clear that an unand CAP expenditure has not they would dema been reduced," Mrs. Thatcher the Community.

Community budget.

Mr. Eric Heffer tLah.. Liverpool Walton 1 a leading opponent of Britain's membership of the Minister had weakened the budgetry case by making it clear in her television beautiful and uorepentent Mr. Heffer should: "Then you will not get what you want."

Commenting on the need to commenting on the need to comme olution." would she ever accept the "We had to be Mr. Callaghan assured Mrs. "empty chair" policy or with- persisteot," she said.

Revolt over block grant

tion in the House of Lords Is

now considered a certainty.

Mr. King therefore announced yeslerday that as

from lomorrow the Govern-

ment wants extra Parlia-

mentary time for the

The opposition, led by Mr.
Roy Hattersley, Lahour
Eustranment spokesman, said
privately that if an attempt

were made to force all-night sittings of the committee they would filibuster to ensure that no further pro-

gress were made than If the

committee adjourned at 7 or

Government bad broken its promises to consult the local authorities and had rejected

their grant plan for no reason. "The Government's

aim is in maintain a robust line of dealing with local authorities. We are suffering

from a bad attack of ministerial machismo."

Mr. Hatlersley found him-self leading the case for the

Tory associations against the

Tory Government, the irony

The reason was that the Government bad treated the

councils with total disdain,

be said. It had promised to consult but had held only one

meeting since the alternative

plan was produced and then

there had been no real con-

"The problem is that the

Secretary of State has a

sultation or movement.

of which delighted him.

pm. Mr. Hattersley said the

committee slage.

The Prime Minister replied that she believed that il was in Britain's interests and in the interest of Europe that Britain hould remain a member of the

Community would be very much lomorrow. less effective than it is without

Mrs. Thatcher explained that in her television broadcast she had tried to illustrate how the French would view things if they were in the same position acceptable situation has arisen as Britain, and how fiercely they would demand justice from

We shall go on doing just the Prime Minister pronused.

has arisen," she said "and it is to the French people on Mon-up to the Community lo find a day that in no circumstances task indeed.

"We had to be extremely

authorities in hand. He wants

no damn nonsense about democracy," Mr. Hattersley

Heseltine. Environment Secre-

lary, rejecting the allernative

plan in the block grant system says: "My major

objective in introducing block

grant was to deal with the

problem of the major over-spending authorities and the

pre-emption of grant that flows from high spending.

to provide a grant system

which encourages economy

and efficient management of

resources by all authorities

and which provides them with an incentive to keep their

expenditure within reason-able limits. The only way we

can meet this objective is hy

securing a link between expenditure and grant.

"Your proposals provide no consistent link between grant

and expenditure for anthori-

tles spending above the threshold."

A joint statement by the

local authority associations and the Tory-controlled GLC last night said: We are hitterly disappointed. The

explanation for the rejection

of our scheme is totally

inadequate. It met all the objectives the Government

laid down in the second read-

ing but now they bave changed their objectives. This

hent on achiering control over

"It is critically important

A letter from Mr. Michael

said.

# Callaghan calls for hard Labour convinced it can win

MRS. MARGARET Thatcher's party political broadcast may be addressed to the country tonight but it will be directed primarily towards Southend

It is the last poll card that the Conservatives can deliver in the by-election campaign; and their chances of holding the seat may depend heavily on the Amid Tory cheers, she loyalties it can stiffen and the emphasised: "I believe that the support it can summon forth lovalties it can stiffen and the

> For the Labour Party is convinced that it now has an historic hy-election victory within its grasp.

There is little evidence to rebut their claim except for the fact that even in their best years they have never taken the seat before.

Sir Stephen McAdden, the Tory MP for 30 years, whose recent death caused the contest, bequeathed his party a majority of 10.774.

But the creashing collapse of that bulwork has ser the Tory nerves twitching and forced them into frantic shifts to shore up their position.

Mr. Teddy Taylor, the former junior minister who has come down from Catheart to fight for the Tory cause, has been on the defensive from the outset.

It is not a political stance which suits his Scot-pop personality: it has muted his political exuberance, pulled his piinch.

As the campaign has progressed, Mr. Taylor has looked more and more the wrong man in the wrong place at the wrong

He has to spend much time explaining his presence so far south of the Border; emphasising that his holiday flat is not to be taken as a sign of transient interest in the resort as a mere route back to Westminster. He has acquired an impres-sive local knowledge, He

clutches Southend to his heart " they are my kind of people,"

he declares.
But his identity problem is accentuated by the bevy of Scots reporters and television crews at his heels. Glasgow's farewell appears far more symthan Southend's reception.

The seafroot amusement stalls only to find further discontent. stand shuttered against the Mr. Taylor might have wished wintry weather—and in the for more support from Cabinet carefully tended terraces, ministers. But he works detached homes and council assiduously, promoting loyalties estates behind them, voters are rather than provoking the undoubtedly turning their backs on the Government's chill

Oweer occupiers hemoan the mortgage rate: council tenants figure on the voting list. bewail their rents. A third of the constituency's working population are commuters who working the Government which is facing neglected problems with cour-age and determination or to have just been hit by increased

Unemployment and short-time . Party dominated by the Leftworking is on the increase-1.800 local jobs have been lost he declares. this year.



a substantial section of Tory support has been rapidly eroded by this climate. And that with the prospect of more price increases, it will be difficult to

Half of that 10,000 majority -mainly first time Cooservative

post war Tory margin in the

of the traditional bedrock bas

also been eaten away. "This is a marginal seat," Mr. Taylor coofesses, hoping that pro-

nouncement will make it less so.

A faithful band of Tory ladles trudged the terraces this

week revisiting what were described as "the disgruntled." in an effort to persuade them to

turn out again tomorrow,
"We've just got 10 win this
by-election, just got to win
it."

it..." says one canvasser, travelling optimistically to the eighth floor of a tower block

tough approach to law and order

sloners, some 14,000 of whom

with a caring word for pen-

The choice here is to back

give your hlessing to a Labour

wing and militant extremists."

But the signs are that much

last election—bave deserted.

Consumer Affairs Minister, who told party workers this week:
"We have pulled back a good way from the abyss and we are now at the crossroads."
Given such directions

a few stayed at bome during

The question of how many

turn to the Liberals will be the

key to the result.
Mr. David Evans. the Liberal

polling tomorrow

Southend East by-election

voters who doubled the normal would not be surprising if quite

Left with a will Evidence of a Liberal revival cheer to the Labour camp where it was counted on to

Hugh Routledge

weaken the Tories. Mr. Colin George, the Labour candidate, is even better known locally than Mr. Evans. A magistrate and former councillor, he has taken leave of absence from the town's citizens' advice centre which he political guidance to the towns

people. This Government has done more in ten months to damage the living standards of the people and to divide them than any government since the war,

He attacks Mr. Taylor not for his origins but for what he slands for. "He represents everything I detest" Mr.

George snorts. "He stands for Thatcherison." Mr. George is a moderate. except in his references to the Government. He is firmly to straod of the Labour Party and be speaks commandingly of co-operation, consent and com-

He appears to bave found a

very receptive audience—and one that is seemingly uncon-

cerned whether he is flanked by

Dr. David Owen and Mrs.

He has made much of the contrasting borders that he and Mr. Taylor have crossed to jolo issue now. opposition, complementing his

unexpected entry of an indepen-

Mr. Evans will not win: and he has followed Mr. David Steel's cautionary advice not to make any rash claims that he will. But he chats charmingly But few see the situation in the doorsteps, koocks

candidate, is nuite confident of substantial conversions. His office walls are ostentaclous with some of the proofletters which assert "I was Tory in the backbone but...": "I

munity.

Shirley Williams.

have been a Cooservative for 28 years and am now very dis-illusioned . . . ": " I would like to join the Liberals if it is not too costly ... Mr. Evans, a local man and

former town councillor, fought Southend's western constituency ast year.

For all that advantage, how-

Mr. Eric Heffer and Mr. Anthony Wedgewood Byon or ever, his campaign got off to a slow start, was diverted by the dent Liberal, and only in the last few days appears to have been gaining ground.

Mr. George's compaign has planned on the assumption that If Lahour can eet out its traditional vote, Tory abstantions and the inroads into Tary support made by the Liberals would do the rest. Mr. George says that he has

found a "massive rescondent" against Mrs. Thatcher and ao enthusiastic determination to seize this chance to hit back Labour's canvass suggests that it will not fail for apathy this

time and that a majority of over 1000 is within reach. Whether Southend goes that for in handing out its rebuke to the Government or not, even the most potimistic Tories are

bracing themselves for a nasty Candidates: Edward Taylor (Conservative): Colin George

(Lahour) David Evans (Liberal): Commander William Books (Public Safety, Democratic Monarchist, White Resident): James Curry (Independent Liberalt; Terence Robert-son (New Britain); Oliver Smedley (Anti Common Market and Free Trade). General Election 1979 result:

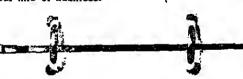
Sir S. McAddea (Conservative) 2413; T. N. Wright (Labour) 11.639: J. Hugill (Liberal) 5.244: Twomey tNational Front) 676.

Conservative majority 10,744

#### 58" MILAN TRADE FAIR 14-23 April 1980

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Exhibition
March 1:
The FLUID COMPOMAG - Transmission Technique & Hydraulic,
Prieumatic, Mechanicel, Electrical & Electronic Components

Air-Con-International Exhibition-Conterence: Heating - Air-Con-

ditioning - Religeration - Santiary Installations - Ba Accessories - Ceramic Glazed Tiles MIAS INVERNALE 80 - Inlemational Market for Sporting and

4" NC ROBOT AUTOMATION - Exhibition-Conference: Numerical Controls. Industrial Robots & Beauty Automated March 16-20 MODIT - Ready-made Clothes Exhibition

march 18-23
IPACK-IMA - International Exhibition of Packing & Wrapping, Internal Factory Conveyor Transport & Food Industry Nachinery March 26-30

16" COMIS/PEL - International Fur Dealers' Salon 41" MIFED - International Film, TV-Film and Documentary Market MIDO 80 - International Exhibition of Optical, Optomatric & Ophthalmic Goods

May 3-6
SIMAC 80 - Italian Fashlon Preview - Internellonal Exhibition of Boot & Shoemaking Machines - Machinery for Tannig -Accessories and Synthetic Products - Model Designs

May 5-10
EXPO ITA - International Exhibition of Heat & Sound Insuletion, Roofing Malerials & Weterprooling May 15-21 SASMIL - International Exhibition of Semilinished Products & Accessories for the Manulacture of Furniture, Upholstery and Wooden Articles

May 15-21 INTERBIMALL 80 - 7th International Blennal Exhibition of Timber & Woodworking Machinery & Accessories

May 16-20 STAR 80 - International Trada Show of Carpets, Curtains, Fur-nishing Fabrics, Tapestries & Wall-papers, Houselinen 16" BIAS - Biennial International Exhibition-Conference: Auto-

malion & Instrumentation 37" MIPEL - Italian Leather Goods Market (Informational Salon) ESMA-EUROTRICOT - European Hosiery and Knitwear Salon

MANUTENZIONE 80 - Exhibition-Conlerence: Materials, Equip-ment & Products for Maintenance, Cleanliness & Hygiene in

SAMAB 80 - Exhibition of Machines & Accessories for the Clothing Industry Further information from: Flera di Milano, Largo Domodossolo 1, 20145 Milano (Italy) or from the Milan Fair Representative, Dr. Vit-torio Schizzzano, 20 Savile Row, London W1X 2DQ 🕾 01-734 241L

The Milan Fair Organization declines responsibility for any

changes in the dates announced as above.

#### the actions of each and erry vision of himself as the man Scottish debate move

BY RICHARD EVANS, LOBSY EDITOR

PROPOSALS FOR the debating turn the Scottish Grand Comof Scottish affairs by Parliament have been presented by the Government to the Labour and Liberal Parties following the failure of the devolution referendum a year ago.

Mr. Norman St. John Stevas, Chancellor of the Duchy of Lancaster, has set out the proposals in discussion papers for interparty talks sent to Mr. Bruce Millan. Shadow Scottish Secretary, and Mr. Russell Jobnston, chairman of the Scottish Liberal Party. It is hoped to hold the first explorafory meeting oo the proposals hefore the end of the month.

The package is designed to

mittee of MPs into a recre effective forum of debate. Among the proposals is the holding of Grand Committee meetings in Edinburgh on Mondays or Fridays, or both.

It is also suggested that Question Time on Scottish subjects and adjournment debates on Scottish subjects could be taken by the Grand Committee. Under the plan, more days would be devoted to genral subjects for debate rather than specific legislation. It is also suggested that English MPs. now co-opted on to the com-

mittee because of lack of numhers of some parties, should be



Hugh Routladge

GEORGE: Appears to have found a receptive aodience GREEN PAPER ON THE EXCHEQUER AND AUDIT DEPARTMENT

# The role of the Auditor General

government's public audit sera Green Paper yesterday.

Douglas Henley, the Comp- available to the Treasury in the troller and Auditor General. The Paper discusses three main questions-What kinds of legislation. audit should the C and AG undertake? How far should his responsibilities extend? What should his status be in relation to Parliament and the Execu-

The Paper says the role of the C and AG should be to provide a basic financial and regularity C and AG of both the Executive audit of Departmental accounts: to examine the economy and efficiency with which public funds are spent and, in appropriate cases, to investigate the effectiveness of programmes and projects in meeting established

policy goals.
The Government's provisional views can be summarised as follows:

The effective working relationship between the C and AG and the Public Accounts Committee should be preserved.

In the case of non-departmental bodies an important objective of the C and AG's examination ahould be to review the effectiveness of the arrange. The Government believes that importance of maintaining and C & AG access should be ments under which Ministers an efficient and thorough finan-further developing an effective reserved until conclusions are monitor and control the payment

PROPOSALS for the future role of Decisions whether to provide and organisation of central for C and AG audit or inspection of a decision of central for C and AG audit or inspection of central for C and AG audit or inspection of central for C and AG audit or inspection of central for C and AG audit or inspection of central for C and AG audit or inspection of central for C and AG audit or inspection of central for C and AG audit or inspection of central for C and AG audit or inspection of central for C and AG audit or inspection or central for C and AG audit or central for C and AG of non-departmental bodies need vice—Exchequer and Audit to be taken case by case. The Department—were published in C and AG should not cover the nationalised industries.

The department is led by Sir Certain powers of direction E and AD Acts are obsolete and could be removed in any new • The Government are pre-

pared to consider alternative arrangements for controlling the budget of the C and AG but the implications for the staff of E and AD woud need to be considered.

C and AG of both the Executive and Parliament should reaffirmed and there should be no change in bis status as an office holder under the Crown.

**Etticient** 

As the Government's external auditor the C and AG is a key figure in the system of public audit. His role needs to be viewed in the cootext of the general framework of Parlia- ship between local authorities records of the British National mentary accountability, which and Parliament, is how to Oil Corporation. The Govern-Parliament grants supply to the constitutional arrangements and Crown and bolds the Ministers accountable for the use made of

most cost-effective means of carrying out the audit task is likely to be a systems-based approach based on evaluation of

key internal control systems. supported by substantive tests of District Audit among local of selected items of information authorities. in the accounts and records. Local authorities are autonomous bodies answerable to their owo electors and not to Parliament or to Ministers and in England and Wales present legislation gives local authorities the choice between com-

mercial and District audit. Most have opted for the latter. The C and AG suggested, in his observations on the Elevenih Report of the former Expenditure Committee that an amalgamation of the District Audit with the Exchequer and Audit Department under the C and AG would have certain

advantages. But the difficulty with this of proposal, with the implication of a closer relationis based on the principle that reconcile it with the existing to avoid confusing the division of responsibilities.

cial and regularity audit of local authority audit and of teached. But the Government wide relevant expertise of the Government Departments must promoting efficiency across the at present incline to the view CSD, and if the responsibility HMSO, price £2.25.

In the light of experience of the In modern conditions the Advisory Committee's first 12 months of operations they plan to consider what scope, if any. there is for strengthening existing ararngements in order to

> In the Government's view the proper division of responsibilities between Ministers and Nationalised Industries, which is vital to their efficient operatioa, is appropriately underpinned by existing arrange. ments for the industries' audit and accountability. The Government are not persuaded that it would contribute to efficiency of the iodustries for the C and AG to be involved as

#### Access

The PAC recommended io the previous Parliament that the C & AG he granted rights of access to the books and ment are at present considering the future structure of the Corporation's activities and a I responsibilities. final view about the appro-The Government accept the printeness of providing for

granted access.

The PAC also recommended that the C & AG ahould be given access to the books of the National Enterprise Board. There are arguments both for and against this. In some respects the NEB resentbles the generality of nationalised inoustries. The changes recently announced to the NEB's role will result to the reduction of its activities, but in essence these will remain the same save for the reorganisation function—and the NEB will retain a substantial measure of

autonomy.

The Government will consider the question in the light of comments on this Green Paper. The suggestion was made in 1977 by the Expenditure Committee, and subsequently by the Procedure Committee. that certaio powers of direction available to the Treasury under the E and AD Acts are incon-sisient with the claim that the C & AG is fully independent of the Executive.

The Government have no wish to maintain CSD control for its own sake, but they believe that there should be some external oversight of the C & AG's hudget and the staffing costs of the E and AD. Present arrangements take advantage of the the C & AG, heing indepcodent, could report the matter to

Parliament. The Government would be ready to consider some form of control by the House of Commons Commission as an alternative. Any changes would need to be discussed with the Sinff Side of E and AD, particularly if they would result in the staff ceasing to be members of the Home Civil Service and could reduce opportunities for exchanges with other Departments.

#### Resources

As for the C & AG himself. the Government consider that independence in the exercise of his responsibilities, and in deciding on the disposition of his staff resources and oo audit priorities, is of fundamental importance to a national auditor. The nature and halance of his work under the statutes should not be subject to direction from any quarter. The PAC of Session 1978-79 also considered that the C & AGS independence was essential in the function of his office as the Government auditor, and that there should be no external constraint on his right to determine the direction and application of his audit resultees.
Cmnd 7845. Published by

#### UK NEWS - LABOUR

# Rail unions to submit joint claim for 20%

BY PHILIP BASSETT, LABOUR STAFF

ALL THREE rail unions yester- week, and longer holidays. day united behind a joint pay claim, estimated to be for at between in particular the NUR cent special responsibility payleast 20 per cent, in order to and the train drivers' nnion present a common front to the ASLEF which British Railways Board for what last winter's union leaders helieve will be a national rail strikes, it is staff.
difficult round of pay negotia- perhaps more significant that On

The unions will seek a meeting with British Rail this month to present the claim. All ordination on pay aimed at joint claim, there have already submitted notices of their individual surviving the full run of the meeting does not affect the claims.

In the light of the differences ASLEF which re-emerged in NUR wanted to broaden the yesterday's meeting between

taining its claim for a 10 per ment for drivers alone, while the four one-day claim to include all railway

> One union official said it was the first time in recent memory

the opening.

The joint claim is essentially that proposed by the National Union of Railwaymen, the largest union in the industry.

It is for a substantial increase in pay, aborter working hours as a stage towards a 35-hour the opening, the the negotiations. No single union should attempt to hold to like to see joint agreement on in the joint union discussions.

The joint claim is essentially the unions agreed to continuous individual positions on the question of BR's productivity proposals. ASLEF still wants to pursue a separate union should attempt to hold to claim, while the NUR would a "rigid or inflexible policy" like to see joint agreement on in the joint union discussions.

During last winter's stop-

cut costs. This would reduce the

number of BBC correspondents'

offices abroad to 13.

# Adjournment of BBC claim prompts call for pay proposals

BY PAULINE CLARK, LABOUR STAFF

THE Association of Broadcasting Staff, the biggest union in the BBC, yesterday called on the corporation to state its pay proposals to 28,000 staff. return to the CAC after The demand, in a letter to settlement was reached.

Mr. Michael Bett, BBC director of personnel, swiftly followed the adjournment of the Central Arbitration Committee's hearing of a claim aimed at closing the gap between BBC pay rates and those in commercial broad-

casting.
The CAC told the four unions involved and the BBC that the union claim was being put on union claim was being put on claim would be employed in ice hecause of the imminence negotiations with the BBC.

sented the CAC with an argument for a 29 per cent rise the BBC pointed to the CAC's annual pay negotiations do not end quickly and satisfactorily, they may have lost their chance.

would also he in difficulties because of the CAC decision. It would he negotiating in "a vacuum," as the unions might return to the CAC after a wage

It was made clear to BBC staff only last month that any rise in pay of more than 16; per cent over the coming financial year would have to be paid for in further staff cuts.

Mr Tony Hearn, general secre tary of the ABS, said yesterday that the same arguments used hy the unions in their CAC

ice hecause of the imminence of annual par negotiations for the April 1980 pay settlement —believed to be the first time —believed to be the first time bas happened.

The gap hetween BBC pay and commercial radio and TV pay was such that the BBC could find itself faced with seri-

nnder schedule 11 of the comment that the facts pre-Employment Protection Act. sented by the union "plainly They now fear that if the establish a prima facie case that the claim is well founded." The BBC accepted this "and indeed indicated their feeling

The schednle 11 provisions that evidence of detailed com-would be repealed when the parisons might show that the Government's Employment Bill arithmetical calculation underhecomes law. estimates actual differences in The BBC said yesterday it levels."

# Civil Service may revive joint policy forum

BY PHILIP BASSETT, LABOUR STAFF THE CIVIL SERVICE Depart- Department refused to accept ment and union officials are this. considering whether to revive the idea of a joint forum on offici manpower policies following a

the disclosure of information.

The meeting was held under the auspices of the Advisory. Conciliation and Arhitration Service to consider the unions' complaint against the Government under the Employment Protection Act to force the disclosure of information about plans to reduce manpower costs. The unions consider the complaint as a test case of the legal relationship between civil

servants and the Government as their employer.

The most likely outcome being studied is a revival of a joint committee on manpower, first mooted two years ago and ahelved after a failure to agree terms of reference. The unions wanted to include the idea of

Service Department officials were careful to stress yesterday that while such a meeting yesterday on the forum would give the unions unions legal attempt to enforce much greater access to manmuch greater access to man-power information, the Govern-ment would still insist that there were some areas where it would have to reserve its vice as It thought fit.

The Institution of Professional Civil Servants, which represents about 100,000 professional and technical staff, said yesterday that two of its members had been suspended for complying with union instructions in refusing to supervise a new pro-ductivity scheme for industrial

The IPCS said that the two members at Royal Nsval Arma-ment depots at Trecwyn and Milford Haven, South Wales, had refused to supervise a scheme wanted to include the idea of which would lead to supervisors negotiation on manpower in the receiving £50 a week less than terms, but the Civil Service the workers they supervised.

#### Meccano checks stocks after bailiffs end sit-in

bailiffs and police ended a 102-

executives of Meccano had claimed would support yesterday started an inventory of stocks and machinery after bailiffs and police ended a 102
It is estimated that it will day sit-in by workers at the doomed Liverpool factory.

The hailiffs moved in at dawn to execute a Higb Court writ returning possession of the factory to Airfix Industries, the parameter of the factory to Airfix Industries, the parameter of the factory to Airfix Industries, the parameter of the factory to Airfix Industries, are moved out.

the parent company.

Only four of the original 940 workers were on the site and they left peacefully after the balliffs forced their way in. A councillor John Hamilton, picket line of about 50 leter leader of Liverpool City Councillor. picket line of about 50, later leader of Liverpool City Countries was no sign of the hundreds of Merseyside trade unionists the Meccano workers countries. A councillor John Hamilton, leader of Liverpool City Countries will discuss the possible intervention of a mystery hundreds of Merseyside trade unionists the Meccano workers

# Beer supplies disrupted

BEER SUPPLIES to Courage over a new work schedule. public houses in Greater London Courage said last night it was are being disrupted by a dispute at five depots involving 300 drivers and draymen, members of the Transport and General Workers Umon.

Work has stopped at Tower Bridge and Southwark. Merton, Peckham and Bermondsey depots have been affected.

Talks have been held between the TGWU and Courage, part of the Imperial Tobacco group,

hoped there would he a settle-

ment shortly.

Beer supplies in London have been disrupted during the past three months at Courage public houses because of industrial disputes. The publicans union, the National Union of Licensed Victuallers, last week announced reorganisation plans which it hopes will lead to landlords pooling resources and supplies during disputes.

Sutton colliers walk out

liery, Notis, was at a standstill yesterday after 280 miners walked out in support of a underground roadway who are ments

PRODUCTION AT Suiton Col- protesting over bonus payments.

liery, Notis, was at a standstill An NCB official said: "The Board recognises that some adjustment is necessary for walked out in support of a bonus payments, Lecause a seven-man team working on an change in working arrangePAY NEGOTIATIONS for 180,000 clerical staff in the five

begin this morning.

The smoothness with which they are completed will be an indicator of the ability of the banks to agree with staff associa-tions and unions a sensible structure for future pay bargain-

That the talks might be a form of test case is important hecause of the disagreements and disorganisation that have afflicted bank labour relations over the past few years. The last annual pay negotiations degenerated into separate domestic negotiations for the

#### Employers

The employers have a difficult circle to square because of two contradictory claims from the Banking, Insurance and Finance Union on the one hand and the staff associations at three of the banks, acting jointly, on the

The two union groups cover the same staff and the employers, meeting the staff associations in the morning and BIFU in the afternoon will make exactly the same offer to the two.

The hanking union has tabled a general claim of 25 per cent, but is seeking rises of just over 30 per cent on the minimum salary and for medium-grade

Clearing the bank muddle principal English clearing hanks Westminster and Barclays, how- oational

This is in line with the emphasis staff asociations'—which have a much greater joint membership in the clearers than BIFU—place on improving Lloyds. differentials eroded over the past five years. It also meets the hetter-paid staff in an organisasystem is deeply rooted.

One way of providing for improved differentials without antagonising BIFU would be to make very large payments might feel that it has forcefully right up the line.

The hanks, however, will the staff associations, would want to keep the rises under reduce certain differentials. tighter control, as total pay bills account for about 70 per cent of banks' operating costs. Despite this, bank negotiators seemed reasonably confident yesterday that their approach to pay this year will salisfy both staff associations and the hanking uoion.

arhitration settlement for managers has thrown the cat among the pigeons. This settlement provided increases of 3.2 to 8 per cent, backdated to last

Pay in the hanks for all staff hargaining, the banks are have with union negotialors.

The claim from the three staff above the four basic elerical hardly on firm ground to argue associations at Lloyds, National grades—for which there are against giving substantial rises. ever, has a built-in differentials handled domestically. Pay is scale from 20 to 28 per cent for roughly comparable from bank 18.5 per cent and rising, and tnclerical grades 1 to 4 covered to bank for these domestically creases in average earnings directly by the negotiations. negotiated grades—ranging elsewhere are running at about negotiated grades—ranging from specialist, senior clerical

NICK GARNETT ON TODAY'S CRUCIAL PAY NEGOTIATIONS

pasi five years. It also meets the aspirations of many of the begotiations. What will have some hearing, however, will be any allempt by BIFU to regain some points from the staff

associations. In the competitive recruiting atmosphere of the hanks, BIFU to pursue the elements of its claim which. In opposition to

#### Satisfied

There is no sign yet that that will he the case, Last year, BIFU was satisfied in the end to accept pay deals which had improved differentials built in.

The recent Lloyds Bank its relatively strong membership in the hanks' computer services, has the power to make the hanks' operations really difficult members.

In a period of free collective able how much weight it will

negotiations-are Profits have been relatively enorotous, the inflation rate is 19 per cent.

> Some union negotiators have seized nn earlier statements by the Prime Minister that unions must negotiate on companies' ability to pay.

Mr. James Prior, Employment Secretary, has warned more than once that this should not he a carte blanche to the unions grab big rises out of hig profits.

Union officials view "free bargaining" in a very open way and most of the staff body negotiators say simply that the hanks can easily afford a hig

The hanks might argue that last year's settlement, worth about 20 per cent, ran for only nine months; that this year has been very special for profit heen very special for profit figures, and that the 5 per cent morigage interest rale for new The union, however, through staff protect them from some of the increase in the RPI. £7.617. increased profits will also mean higher direct payments under banks' profit-sharing schemes. Some of that is no doubt true, but it is question-

outside London: clerical grade 1 (includes machine operators), £1.978 to £2.979 Grade (includes cashiers), £2,494 to £4,159 with standard rate of £3,585. Grade 3 (includes securities clerks), £3,510 to £4,921 with a standard rate of. £4,383. Grade 4, £4,114 in £5,681, with standard of £5,071.

There is also a Christmas bonus worth 21 per cent of salary, and profit-sharing, which last year was worth a further 5 per cent of salary.

#### Allowance

On top of that, all staff in London and the suburbs receive London weighting ranging from £823 down to £204, depending on nearness to centre, together with a London supplement rang-ing from £200 to £50. There is also a £181 allowance for staff working in selected large towns.

Overtime is worked at time and a half, double time on Saturdays and Sundays.

Managerial salaries vary from bank to bank, along with their joh descriptions. The national minimum managerial salary is

Managerial Barclays, for example, range from £8,600 to £10,400 for managers at small branches, £10,000 to £12,000 at medium hranches, and £18,300 to £23,500 for the biggest branches.

British Airways Club: not everybody can join.

British Airways Club offers you a rather superior form of travel to the USA, and to Canada, Paris, Hong Kong and Japan from April 1st.

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It is reserved exclusively for those who have paid the full Economy fare to the Far East, or the Club fare to other destinations.

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When situation readings of

that this insert gas seal is main-

tained to prevent escape of gas

A special vapour control

valve has been produced by Marine Moisture Controls of

New York which enables the

company's sonic portable gaug-

ing tapes—medified by the addi-

out any exposure of the cargo

or break in in the insert gas

part of new deck layouts.

stainless materials) meets all

the recommendations of the

latest deliberations of the Inter-

Organisation (IMCO).

(SWAP ment fi more re ducted port to African Angola, A senio leaving ' that some n West Town. launchi that the will be time to result : Howe suspicio establis backed Alliand to SWA

fo By Ot Corre A POS Africa': over th propost have b Dr. ideolog hard-lir down Мт. Во race t schools issued : Dr. the sec in the Transv. appeal

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# Echnical Page Sucks up everything in site

AGRICULTURE

# Saves on feeding costs

THE COSTLY and often lengthy of protective clothing. process of rolling and drying grain in order to make it more digestible to cows can be replaced with a technique which has been undergoing practical trials for the last eight months under the aegis of the Agricultural Development and Advisory Service.

The treatment of grain with liquid caustic soda—as an alternative to drying and rolling—can cost only about £4.50 a (Traditional methods average, say, about £5 a ton for rolling and up to £7 more for

Cereals can now be treated from barvest at high moisture levels (22 per cent) stored without drying, and fed without any physical treatment (such as rolling or milling).

Caustic soda grain treatment technique can be described as "chemical rolling" and the technique is a direct result of theoretical work by Dr. R. Orskov and his colleagues at the Rowett Research Institute,

Applied to cereals in the in the developing world. correct quantity, the caustic soda extracts moisture and cracks the husk of each grain and, with wbole-grain diets. results in digestibility levels as agricultural agencies in those high, or even bigber, than those countries. They represent, posmechanical with achieved rolling.
Said to be the only machine

currently available to safely and accurately apply caustic liquor in this technique (which so far has not been applied anywhere else in the world) is the appli-cator offered by Berwyn Farm Sales, 3 Union Street, Bath. Avon (0225 63062).

This consists of a hopper into which the grain is fed, and an auger in which grain and caustic are thoroughly mixed.

The internal mechanism for accurately cootrolling the introduction of liquor into the grain and the mixing process Itself include several uousual design feetures in addition to ensuring operation, says the

Depending on the rate of feed into the hopper of the applicator pected in late March or early and the moisture content of the April.

grain, throughput bas been tested at rates as high as 20 tons per hour.

A fall-off in caustic will stop the machine, while a fall-off in grain flow will stop the pump and subsequently the supply of

The applicator is supplied with user instructions approved by the Health and Safety Executive, plus a complete set

## DEBORAH PICKERING Hygienic Sun pumps irrigation

UNDER a UN project, Sir William Halcrow and Partners, ecting in association with the Intermediete Technology Development Group es consultants to the World Bank, has placed orders for small-scale solar pumping equipment for field trial end laboratory test. The objective of the project

is to investigate ways in which solar pumping technology should be developed, in future, for small-scale irrigetion use, so as to provide an economic, robust reliable and simple. appropriate means of pumping water under the conditions which prevail on small farms

out in Mali, Philippines, and the Sudan, in close co-operation with the leading energy and sibly, the first independently conducted practical demonstra-tion and comperative testing interest to all organisations con-programme on the performance cerned with bandling banknotes and capacity of 12,000 coins. On by use of a micro the machine programme on the performance and reliability of small-scale solar pumps carried out under realistic field conditions in the

developing world.

For the field trials, nine systems have been selected, eight photovoltaic and one thermal

Detailed plans for these trials in Mali, Philippines, and the Sudan are now in active preparation. Resident engineers appointed by the consultants will take up their posts in eech country during March end will provide assistance to the institutions or agencies in each country which will bear primary responsibility for these triels. equipment is exMAINTENANCE

floor in

bead 76122).

• BANKING

and coins are to be introduced

by De La Rue Systems, at the

Hanover Fair (April 16 to 24). For example, the models 6010

and 6050 machines for counting,

separating and wrapping coins

pany and replace what was pre-

viously being offered, which

tor with an input tray capacity of up to 2,500 coins of any

denomination end a counting

rate of 2,700 coins/minute, Counted coins are delivered to

front-mounted bags, rejects being ejected via a side chute. More sophisticated, the 0610

is a microorocessor-based system

The 6050 is a counter separa-

was made in Japan.

are new designs from the com-

breweries

HOT OR cold materials—rang- says Ailsa. ing from liquids to slurries and Standard unit has a suction sludge, from gravel and sbale airflow of 2,500 cubic feet per to coal, coke, even whole bricks minute-enough to lift liquids -can be sucked up with equip- from depths of more than 100 ment called Vacload, says Ailsa feet. It is mounted on a typical Vacuum Extraction Company, six-wheel truck chassis and can carry up to 10 tonnes of waste 14 Muriel Street, Barrbead, Glasgow (041-880 7177). which is discharged by means of

Full-scale production of these tipping British machines has now Front section of its purposestarted at the company's Barr- built split body incorporates a head factory and the first unit is filter chamber, rear section a dual-purpose machine able to forms the main load-carrying tackle liquids or solids whose vacuum chamber. Driven in the wet or dry modes are selected at first production model by a sixthe flick of a switch. Later, the cylinder Perkins diesel engine. the vacuum pump is contained only clean air is vented to the same principle will be extended to liquid waste vacuum tankers, in a neat assembly mounted on atmosphere.

# • PROCESSES

BECAUSE IT is said to be

resistant to attack from heer, made to apply powder coating systems to wood-based materials. but the high curing tempera-tures required have resulted in damage both to the surface of the substrate and to the bond-ing resins used in them. There have also been problems in using the electrostatic method normally used for applying

end promises the exceptionally The new process invented by good corrosion and abrasion resistance of polyurethane resins combined with the Mr. Shaw, managing director of Verycote, and fully protected by patent pending, involves the traditional advantages of concrete technology.

Being free from volatile pre-coating of the chipboard with a base which protects the solvents it does not taint food and drink products during the substrate from the heat required for curing and provides e surleying period and is quick to lay

The Verycote process, which has been exhaustively tested

wood-finishing mechinery. Finished coatings possess

eliminated. Preliminary trials have shown

the gas induced does not exceed using materials prepared by S per cent by volume in its paint-makers Sonneborn and make-un. Rieck, requires only standard

From the top centre of the

main vacuum chamber, an

intake hose is suspended from

an hydraulically elevated boom

which pivots to give maximum reach to the sides and rear of

the vehicle. The boom is con-

trolled by a waoder lead

attached to the vehicle at the

Important feature of the

machine, says the maker, is its

high efficiency filtration system

which uses special cellular

fabric elements to ensure that

fiexibility and have excellent adhesion. It is durable, waterproof and relatively heet resistant. As powder coating involves no volatile or flammeble solvents the provisions of the Realth and Safety Act are easily met and serious fire risks

that powder coating of chip-board by the Verycote process provides a satisfactory finish at low cost. Further details from Verycote, 94 Tuffnells Way,

# Barrier takes the knocks

REMOTELY operated, a heavy-duty security barrier with cranked boom, for operating in To prevent dar applications where there is minimise possibility of forced entry, steel protecting plates are fitted on either side of the restricted beadroom, such as multi-storey parks. security underground parks, boom hingeing point. entry to bullion lifts, or eotrances used by cash-intransit vehicles, is offered by

SAFETY

Protecting the ships

that these may involve explo- gauging operation.

bad weather are accepted risks tank levels and temperatures

to ahipping but potentially are being taken, it is important

and chemical transportation in and volatile fumes during the

lating in part-filled storage tanks tion of a simple probe unit—to

seal.

NAVIGATIONAL bazards and

more dangerous nowadays are

problems associated with oil, gas

sions in port, and pollution off-

sbore, says The Welin Davit and

Engineering Co., Dudley Road, Brierley Hill, West Midlands.

prevention of oxygen accumu-

circumstances the presence of

oxygen presents a virtual

powder-keg for fire and explo-

reduced if tanks are charged

with an inert gas to prevent the

ingress of air as the cargo level

changes. This inert gas may be

derived from boiler fuel exhaust, gas turbine exhaust or

by separate generator, all of

which means are acceptable,

provided the oxygen content of

of the risk can be

Mucb

Safety measures require a

Frontier Gate Company.

Powered by a hydraulic motor, the boom is built from 75mm square steel section and can be hinged at any point on its 41m length to suit the headroom available. The bydraulics derive their power from a ? hp

To prevent damage and

Closing and opening speeds of the barrier can be varied by simple adjustment to the hydraulic valves. Control is completely automatic and can be from a remotely located security centre working in con-junction with CCTV or card access systems.

Frontier is at Tubeform Works, Cardigan Street, Works, electric motor located in a Birmingham.

#### Atlas Copco compressed air systems.

A force you can tum into profit

#### MACHINE TOOLS and cargo holds, since in many be entered to ships' tanks with Herbert has new ranges

The valve is supplied for in-NO DOOM, or gloom at Alfred clusion in tank openings of Herbert which is preparing to existing ships or as an integral show eight new or improved machine tools at the forth-coming MACH 80 in Birminggastight safety cap is provided for additional protection from ham (April 22/May 2). weather-deck conditions, and the equipment (made from

Brand-new is a series of computer numerically controlled (CNC) lathes. The AL series is available in three sizes, each with a choice of three ben national Maritime Consultative lengths. They provide capacity for machining many types of turned parts, including bar work up to 78mm diameter, chuck work to 380mm and shaft work to 340mm diameter with a maximum turned length to

These machines will be offered with a choice of CNC from the company itself, or from Philips or Siemens, All three can be programmed on the shop floor or in the office.

For the high volume production industries the company is launching a multi-spindle auto-matic which has been engineered in such a way that setting times are reduced so that the smaller batch can be turned ont economically.

Capacity for round bars is up to 35mm diameter with bar feed length adjustable up to 185mm. Alfred Herbert, POB 50, Coventry CV1 4JU, 0203 \$8868.

#### VENTILATION Keeps the cool

BECAUSE IT does not require extensive structural work and avoids any loss of natural light which occurs with other conven-tional systems, its "mini-split" system is ideal for economical cooling of small shop units and offices, says EER Air Conditioning Products, Britannia House, Ashton-under-Lyne, Lancs (08) 308 2136).

fan coil console and an outdoor fully weatherproofed air cooled condensing unit, the two components connected by a simple system of refrigerant pipework.

#### Tough skin on chipboard AFTER TWO years' develop- electrostatic spraying possible.

ment, e new process for powder coating chipboard has been proved successful. Previous attempts have been

yeast and both acidic and alkaline cleaning chemicals, Ucrete industrial flooring has repleced a screeded floor in the fermentation room of the Tetley Walker Brewery at Warrington, reports Atlas Chemical Industries (UK), Cleeve Road, Leatherhead, Surrey (Leather-This is applied by specialists powders.

which makes efficient Harpenden, Herts.

clearly displayed.

rejects purposes.

which will count, separate and ing machine. This is a desk-top wrap, producing up to 16 rolls unit that accurately counts

free-standing equipment.

banknotes can

Another machine of par-

ticular interest to banks is the

model 124 counting and verify-

Sorting coins and notes both machines the count is is able to offer three operating modes; counting, verifying the quantities in pre-counted bundles, and variable batching. quantities counted, classified and separated with the model 3400, a complete Operation is automatic once

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Raw materials are studied under 16 categories and when-ever possible quantitive information has been obtained from users in the industry and their suppliers. The raw materials investigated include anti-microhial preservatives, deodorants alcohols, fetty acids, glycerol and sorbitol, lanolin and lanolin derivatives, shampoo derivatives, shampoo surfactants, sunscreens, tac, thickening agents, thioglycollic acid and its derivatives and waxes. There is also a section on aerosol propellants. Latest figures show that the

12 largest establishments, out of a total of 230, account for over half the industry's sales. Copies of the report can be

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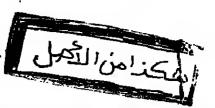


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# Corporate Finance

There are so many confusing elements today in the financial state of Britain's industry that an accurate diagnosis of the patient's health is difficult. If the benefits of North Sea oil revenues are excluded, however, it seems the outlook is for a period of careful nursing and convalescence.

# masks troubled waters

By Barry Riley

FILATION

BRITAIN'S INDUSTRIAL economy, perversely, is now groaning under the weight of the impact of North Sea oil. Not. only is production scheduled to rise by about a fifth this year, but the price bas gone up further than anybody can bave expected. It looks as though well over £10bn worth of the stuff will gush up out of the sea bed this year, more than twice the value of 1979 produc-

But only the oil companies get any benefit from this, Elsewhere in the company sector higher energy prices bave to be financed. To the extent that the oil bonanza is stimulating the British economy, it is easier to pass the costs on to the consumer than it might otherwise be. This is not, bowever, a possibility that is likely to be of much comfort to the British manufacturing company which competes in export markets, or which faces imported competition in selling to domestic

For the high level of the

sterling exchange rate which had managed to trim the deficit baa resulted from the North Sea back to a modest £1bn. Profits oll build-up bas led to a massive leakage of demand overseaa. While non-oil exports were up while non-on exports were up less than 3 per cent in volume terms during 1979, non-oil imports inmped by some 13 per cent.

There has been an alarming decline in manufacturing competitivenesa, exaggerated still further in recent months; sterling has recovered from last autmn's dip at the same time as wage inflation bas accelerated. The Confederation of British Industry (CBI) calculates that by the end of February unit labour costs in manufacturing relative to those of our main competitors were almost 40 per cent higher than the average level of 1975.

Thia squeeze on manufacturing companies is being superimposed upon a cyclical recession in the UK economy which would anyway bave caused aerious liquidity problems. There is a chilling precedent in the 1974 financial crisis which followed a big oil price rise, and coincided with a acceleration in the inflation an acceleration in the inflation rate towards (and subsequently through) 20 per cent.

The 1974 crsis was of conrse notable for its catastrophic impact on an overblown proand financial sector. But there was a savage squeeze in most areas, and the industrial and commercial company sector was plunged into its worst recorded financial deficit of £4.6bn (about 5 per cent of Gross Domestic Product).

By 1975, bowever, the sector

recovered a little, but the main reason for the financial improvement was that stocks work-in-progress abarply trimmed back. still left balance sheets uncom-fortably illiquid—but listed listed companies seized the opportunity of a buoyant stock market to raise around £1.25bn in rights issues. This figure bas never been equalled since

even in money let alone real

terms; rights issues in 1979 totalled a mere £800m.

#### Weakness

Recently company profits have been showing signs of similar weakness. In the first nine months of 1979 gross trad-ing profits of industrial and commercial companies, net of stock appreciation, rose by 9 per cent. But the underlying trend was masked by the build-up in North Sea profits, which represented as much as 27 per cent of the whole by the third quarter. Excluding oil, company profits fell by 5

The sector's financial deficit bas also worsened (though somewhat erratically, because of the varying incldence of industrial troubles). For the January-September period last year, the latest for which statistics are available, the deficit is estimated at £3.7bn. This was much bigher than the £2.2bn recorded for the whole of 1978. Yet at around 3 per cent of GDP It was still not nearly as serious as for 1974.

But what has bappened aince then? It takes almost four months for the Central Statistical Office to collate all the financial data on the company sector (and the subsequent revisions are often substantial). We shall not know the figures for the December quarter until lste next month.

The signa are, however, grim, One crude indication is that wholesale prices, despite their recent acceleration, have con-tinued to lag behind both raw material costs and average earnings. Another is that the de-mand for bank loans has been very strong. Sterling lending to the private sector roughly doubled to £9bn or an last year, and recent indications are that although personal sector demand bas been easing, companies are borrowing beavily.

In the banking month to mid-January banks lent as much as £2.07bn to UK private sector customers in sterling. This was £1.3bn more than the seasonal expectation. Clearing bankers report that corporate customers are drawing beavily on their overdraft facilities.

The current squeeze is being aggravated by the Government's tight money policy. Since last November clearing bank base rates bave been at an all-time record high level of 17 per cent. Even in 1974 base rates were never higher than 13 per cent. The bigh money rates amount to a further heavy burden on profits, for all but the minority of companies with surplus liqui-

Consequently it seems inevitable that the company sector's two percentage points. But for

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financial deficit will rise. Forecasters like the CBI and the London Business School are talking in terms of a deficit close to £7bn for 1980. At roughly 4 per cent of GDP thia would still not be quite as bad as in 1974.

Yet the property and construction sector is not so vul-nerable this time around. Moreover North Sea oil could be showing a small surplus, in contrast to the deficits it bas generated in recent years. So for manufacturing companies the strains could be as bad as, or worse than, any suffered in the last major squeeze.

#### Tightened

The financial screws are being tightened partly because the Government is attempting to reduce the growth of the money supply back into the target range. Officially, sterling M3 is only supposed to be growing at 9 per cent a year, give or take most of last year it was growing at an underlying rate, allowing for distortions, of more like 14 per cent.

1974

100%

Bringing the money supply back within the target range by next October, which is still notionally the Government's objective, will permit very little growth from now on. Moreover the banks are deep into the penalty zones of the banking "corset" controls. Not only does this mean that credit is going to continue to be very expensive (bopes of an early eut in rates have been mostly abandoned in the City) but it is also going to be scarce. The banks will, of course, bonour

existing commitments, but they

are going to be very sticky about the provision of new facilities. According to the Department of Industry's survey of company liquidity, the ratio of current assets to current liabilities has

already been declining for the best part of two years, This liquidity ratio, which is calculated quarterly on the basis of information from roughly 220 companies, shows a clear cyclical pattern. There was a marked trough at the end of 1974, at a level of around 40, and then a strong recovery to an eventual peak of 138 balfway through 1978. By the fourth quarter of 1979 the figure was

ack down to little more than 70, the lowest level since mid-But this is still far from being a critical position, some-thing which is confirmed by stockbrokers Phillips and Drew, who for some years have been keeping track of the aggregated

riscn to 20 per cent by end-Further pressure on gearing levels is expected, but it looks

**COMPANY LIQUIDITY RATIO** 

1976.

net gearing (net debt as a per-

centage of capital employed) reached a peak of 26 per cent

at the end of 1974. Gearing then

eased to 18 per cent by the end of 1978, but is likely to have

Survey conducted by Department of Industry

(seasonally adjusted)

1975

from various recent statements by companies that finance directors have learnt a good deal from the 1974 squeeze. Many companies appear to be anticipating events, and are shedding lossmaking activities at an early

#### Specific

Besides looking at specific trouble spots, companies can also take general measures in several areas. The most obvious moves concern the level of stocks, into which industry put some £8.3bn during 1979 of which roughly £6.5bn represented higher costs and prices and the rest volume. In the final quarter manufacturers were already starting to cut their inventories in volume terms, but the overall effect was more than offset by a pile-up of

stocks at retailers.
Since then there have been signs that the distribution chain is still blocking attempts by manufacturers to destock. The rate at which this destocking can proceed will largely deter-mine the timing of any easing of financial pressures within the

economy.

Another area for Intense scrutiny will be capital investment. which reached some £14.8bn last year. It is much balance sheet structure of large more difficult and disruptive to companies. They calculate that reschedule fixed investment programmes, bowever, than to adjust stock levels. Still, a drop in real terms of about 5 per cent

1979

1978

is widely expected this year. Finance directors will also be thinking keenly about the question of access to the capital market—with which is bound up in the question of dividends. The rights issue boom of 1975 could provide the precedent here—and certainly the investment institutions will have a big cash flow available to put into equities if the Covernment succeeds in holding down its horrowing requirement

over the next year or two. In recent years, however, a number of companies appear to have used new issues to pay off excessive debt rather than to finance profitable new investment. Shares have often performed poorly after large rights issues. There is also the question of current cost accounting, which is likely to become compulsory for listed companies over the next year or two, and which will show the results, and dividend paying capacity, in a much less flatter-

Ironically, the first full year of dividend freedom since 1971 is likely to see many companies cutting their payments rather than taking advantage of the ending of restrictions. Com-panies like Carrington Vivella and Alcan Aluminium (UK) have already shown the way. But many boards will be But many boards will be reluctant to be too basty in this respect, having an eye to the possibility of improved prospects for trading within a year or two, and the accompanying chance of recourse to the equity market.

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# More sources of export finance

impact on the exporting activities of British companies—at

The first was the new arrangement reached between the Treasury, the Export Credits Guarantee Department (ECGD) and the clearing banks on fixed rate export credits which finance exports sold on credit terms of two years and over. The second was the increase in some of the additional premiums which exporters bave to pay for the ECGD bank guarantees which theoretically enable them to raise finance at preferential

rates.

The impact of the first will be on exporters of engineering equipment and capital goods. These account for only 12 per cent of the exports insured by ECGD but involve virtually all these in the bear project. those in the key project business. The second change will hit small exporters and others involved in continuing business sold on "open account" or on a 'bills and notes" basis. These exports, sold on short-term credit. account for about 25 per cent

of ECGD policyholders. Under tha new arrangements with the banks ECGD will cease to refinance (reimburse) the banks any of the sterling funds which they provide as fixed rate

finance announced last month been opened up, for the first are likely to have a significant time, to a wide range of financial institutions other than The aim is to reduce banks. public expenditure and is ex-pected to produce "savings" of between £300m and £400m over the next five years.

In itself this move has no direct impact on exporters but io the longer term it could well bave a marked effect. If all the eligible institutions—and they have still to he precisely defined—do participate, then sterling funds should be freely available. If they do not, it is possible that the supply may become tighter, given the existing pressures on bank lending, with a consequent increase in the cost of funds.

#### Competition

But assuming that the sources of finance will increase, then the already keen competition for this risk-free lending will become more intense and the charges paid by the borrower smaller.

The rate of interest will con-tinue to be the same, at least for the time being, as ECGD will continue to subsidise the rate so that the borrower pays only the fixed rate set by the OECD guidelines. But the

The competition will therefore be in the fees which banks charge for arranging and managing the finance. These have already dropped sharply over the past two years or so since foreign banks have been able to participate and manage. In some cases fees bave been waivered altogether in the battle to secure the business.

obviously to the exporter's benefit as be or his huyer is able to arrange the necessary finance more cheaply making bis bld more competitive. But io the longer term the exporter may find that fees have become so decimated that banks will be less keen to become involved time and cost consuming jumbo projects where often in the past their partnership with the exporter has been crucial in winning con-tracts. So while the funds will be available more cheaply, the services that now go with it may not be. A two-tier system could well develop whereby is dropped, though sometimes the exporter requiring these all the fees, including the comservices will have to pay an milment fee, are.

additional fee. The fees charged banks vary from deal to deal and can also be constructed in a variety of wasy. But there OECD guidelines. But the and can also be constructed in business as it becomes more bank is ensured a commercial a variety of wasy. But there cut-throat, so that exporters return. This is a fixed rate are generally three components, may well find it more difficult

There is a flat commitment fee, cost escalation cover is to be a smaller flat negotiating fee and ao annual management fee. About two years ago these were one per cent, one per mille (10p per £100) and per mille

respectively for sterling finance and about half these levels for (dollar) currency credits. Since then these rates have been halved in the case of dollar business while those cbarged on sterling finance In the sbort term this Is been reduced more sharply to the extent that they are now lower than those charged on dollar financing.

#### Dropped

On several deals one or all of the fees have been drooped altogether and there have been instances where banks which have been involved in a deal lost the business in the final stages when another bank has stepped in, offering either lower fees or dropping them altogether. More often than not it is the management fee which

As a result banks are becoming more selective about hecoming involved in project business as it becomes more

doubled from 1 per cent to 2 per cent of the eligible contract value, usually between 70-75 ner cent of the total.

While there is thus a somewbat mixed outlook for capital goods exporters export floance for those at the smaller end of the business is becoming more and more costly. Apart from the high sterling interest ratesand the bulk of UK exports are sold in sterling on cash or short-term credit and financed through straight overdraft at a rate of between 1 and 3 per cent above base rate—exporters selling on open account or to associate companies on a bills and notes basis will pay double the premium for an ECGD bank

From April 1 next premium for the comprehensive hank guarantees which cover this type of husiness will be raised from 25p to 50p per £100 of the exporter's agreed borrowing limit. This will be the third time in three years that premiums on comprehensive bank guarantees have been

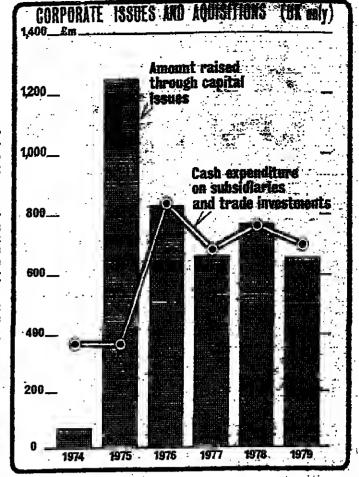
On previous occasions this bas been accompanied by an increase in normal ECGD credit annual premium hased on turn-

THE TWO changes in export time the credit business bas of 1.25 per cent above Londoo though there is now a tendency to raise the necessary figures. increase in these premiums for review and some increases are inevitable given the current high level of claims which ECGD is having to meet.

where ECGD preminm rates were once generally lower than those of competitors the 1977 rise was the first since 1960-they are far less competitive now and in some instances are said to ba considerahly higher than those of some European competitors.

Such are the levels of hank guarantee preminms at the short end of the husiness that banks report a visible tendency over the past year for the more creditworthy companies to use straight overdraft for continuing business without taking out an ECGD guarantee. The guarantee enables them to borrow at ! per cent above base rate but after taking into account the ECGD charged by the banks where there is an ECGD guarantee. which can be anything lup to £5 per transaction, horrowing at 1 to 1; per cent above hase rate is often cheaper. This is the case for exporters with a lower credit rating, who may have to pay up to 3 per cent above base rate. but the advantages of the ECGD guarantee are hecoming

guarantee are decidedly slimmer. Margaret Hughes



N.B. The amounts raised through capital issues are net of debenture and preference share redemptions

# Rights issues continue to find favour

LAST YEAR British companies the share price and genera raised around £800m additional prospects indicate immediat raised around £800m additional capital through rights issues—excluding a £150m BL issue taken up by the National Enterprise Board, Preliminary expertations are that roughly the same volume of money will be sought this year.
For the most part sharehold-

ers seem content with whatever their board bas to offer them by way of a prospectus: news of specific acquisition in mind; the advantage of lower gearing; the prudence of increased reserves to finance growth.

With the corporate sector's net borrowing requirement likely to stand at £7bn this year, likely to stand at £70n this year, against perhaps £5.9hn last year and an actual £2.4hn in 1978, the continuing acceptability of rights Issues will be a warming thought in many board rooms. Out of last year's 99 issues only eight were less than 50 per cent

The pattern of rights issues to fall into two distinct phases—the first covering 1974-75, the second 1976-78. The collapsing market in 1974 made it exmarket in 1974 made it ex-tremely difficult for all but the strongest companies to raise rights money. Issues totalled only £126m for the year. When strength returned in 1975, com-panies shut out the previous year rushed hack by the dozen, anxious to restore decidedly fragile financing with what were effectively recapitalisation

Since then, in less volatile markets, the trend has been for money entering the market through capital issues plus (or minus) preference and deben-ture issues and redemptions ronghly to equal money leaving the market through cash acqui-sitions (see chart above).

The net cash outflow from the The net cash outflow from the market in the first three quarters of 1979 was particularly marked in the third quarter, when issues totalled £55m against acquisitions of £261m. The cash element of hids by GEC for Avery and Racal for Decca, plus the £150m "creeping" purchases of Consgold, suggest that the net cash outflow has been continued since then.

#### Credence

On this basis one might expect to see a greater volume of rights issues in the current year. But there is some credence given among corporate financiers to the theory that a signiciers to the theory that a significant factor. In the current fragile strength of the market is the net cash outflow from acquisitions being immediately re-invested by institutional buyers. The cash-seekers may for this reason have to tread

gently.
While amounts raised through rights issues have remained broadly comparable over the years since 1976, their distribuyears since 1976, their distribu-tion within the year tends to follow the strength of the market. This tendency to seek new capital on a strong share price has led to some suspicion of rights issues as being an occasion on which finance direc-tors seek to outflank share-holders by selling them more shares at an inflated price.

In theory, of course, such questions should never even arise, because of the common interest hinding together direc-tors and shareholders in the joint-stock company. In prac-tice they all too frequently do. To some Boards, shareholders seem to appear as little more than a snurce of money which may or may not be cheaper than

the bank Generally, companies will be advised by their hankers to go for a rights issue when both

amount of money is sought by the company, a rights issue at a high share price has the advan-tage of offering less equily dilution. But an unusually high share price may be ntilised less satisfactorily by companies as an opportunist way to raise money at an artificially low cost in terms of dividends and earnings dilution.

One of the darker shadows recently cast over rights issues comes from a study published Mackenzie. It reviews the post-issue share price performance of 16 major companies making rights issues between 1975 and 1977. Only two achieved any relative share price strength over a period of at least two years from the ex-rights date.

The study has become a minor classic of irresistible statistica correlation with insufficient explanation. One suggested reason is that large companies in general tended to do worse tban small-to-medlum companies over the period of the study.

A more plausible reason is that the capital raised through a rights isue will be for major investment which will be absorbing much of the com pany's resources, hoth financial and managerial. Such invest ment is unlikely to show returns in less than, say, a five-year

In recent years there have een instances where it has been heen impossible to avoid the raised money too readily hecause it has been such an easy thing to do. Beecham, for instance, raised £83m in 1978 when it had £84m net liquid assets on its halance sheet. It did not want, apparently, to repatriate overseas funds—though with hindsight this might have heen quite a good

Likewise. Grand Metropoli-tan's £80,5m rights issue in June last year was not made out of any immediate need. The company could finance capital spending out of cash-flow. The rights issue was to put cash in the bank in case any suitable candidates for acquisition came within reach.

Admittedly, Grand Metropolitan, the only company on Wood Mackenzie's table to register outstanding success, made good use of rights money raised in 1975. This time round, the market was happy to trust the company with more.

But from the lower-profile companies, whose rights monies do not go into pubs and botels, but into rather more difficult-to see areas of the balance sheet more information would be desirable. Shareholders should know where the money will go and what rate of return the Board expects to see from it. They might also hope for some Indication of medium-term propects for the company in

For the moment, institutions investors seem happy to take up any rights coming their way, in order to maintain equity weighting. Small private share holders in turn seem prepared to support their Boards though the presence of a large cash-strapped private sharehold er can act as an effective damper on rights issues for small companies. But if prelimnary indications that right issues are a pointer to share price weakness are borne out, then the future may not be so

Robert Cottrell

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# Slow reaction to foreign exchange freedoms

LAST YEAR'S abolition of exchange controls has provided corporate treasurers with an un-paralleled opportunity to re-multinationals also make the organise the international side point that the abolition of conof their financial operations. It seems fair to say, however, that many companies are still a long way from taking full advantage

gillries.

of the changes. Thera are several reasons for this including a perfectly justi-fiable preoccupation with the present acvere credit squeeze, the strength of sterling and general retrenchment ahead of the economic downturn. After 40 years of controls, caution is as companies feel their way into a new regulation-free era.

Tha phasing out of controls last year came in two stages. Restrictions on direct investment overseas and repatriation of profits were dropped in June and July, a prelude to the full sweeping away of controls an-

nonnced on October 23. Tha first stage gave com-panies the chance of carrying out longer term strategic re-structuring of their overseas investment and foreign currency debt. The further steps taken in October. on the other hand, allowed them to make adjustments of a more tactical nature in day-to-day management of liquidity halances and bandling

In the first area, companies bave responded primarily by running down their foreign currency debt rather than by taking out fresh loans to finance

new investment. The trend towards retrenchment has partly been a result of pay off outstanding loans, fregeneral caution about expanding quently taking out sterling

everseas at a time when an finance to cover the operation. months in advance. Similarly, of funds to be kept flexible, international recession is just trols will not make much difference to their general overseas investment strategy as they had nearly always been able to obtain funds for foreign expenditure in the past. But the burry to repay foreign loans was also prompted by forecasts that the pound would weaken as a result of exchange control abolition-a misreading that has left some corporate treasurers with egg all over their faces.

Barred Before last summer's relaxa-tion of the rules, companies were barred from using sterling borrowings to finance overseas investment. In addition, they were severely discouraged from making premature repayment of foreign dehts by a system of penalties levied on such pre-payments by the Bank of England. These regulations were a relic of the period of official encouragement of overseas borrowings when the Treasury and Bank of England were trying to bolster the reserves during the mid-seventies.

Many foreign currency loans, taken ont at a lower nominal interest rate than domestic levels but in currencies that tended to appreciate, turned out to be problbitively expensive-particularly those in Deutsche Marks and Swiss francs. So finance directors' first move after the summer relaxation was

Since the repayments were made sterling bas, of course, been far stronger than many analysts had predicted, buoyed up by bigb UK interest rates and Britain's North Sea oil revenues.

Corporate treasurers bave thus been admitting somewbat. been removed. As a result, the rnefully over the past few range of possibilities for manmonths that bad they let currancy loans run through rather further towards maturity, they would have profited not only from a longer period of low interest financing but also from the capital appreciation of the pound during that time.

spécial cases.

Courses

the future:

expertise and personnel resources of the individual cor-

Mr. Anthony Chambers, an adviser on corporate finance at

sible courses of action:

denominated in another;

porate treasury department.

In the second fundamental area of change—casb and foreign exchange management —companies have far greater scope for innovation now that the old controls have gone. The strength of the pound, which has prompted treasurers to keep funds on deposit in sterling rather than switching into cur-rencies, as well as the parlous liquidity position of the corporate sector, bave discouraged many companies from becoming

But there is no doubt that over the next few years companies with a larga amount of export/import business will be putting their international cash paid from bandling operations on to a far more efficient and professional footing.

Before the sweeping measures of last October, life was made simple by the existence of con-trols. These laid down, for instance, that imports could of the contract had to be cononly be paid for once customs entry had been confirmed werted to sterling a religious entry had been confirmed to sterling a religious contract had to be contract h entry had been confirmed; holding currencles available for covering forward purchases of future payments allows the

exports had to be paid for maximising the cash flow advanwithin six months and remit-tances immediately into sterling;

imports can now be paid for and lorward sales of currencies in advance. Such payments, takcould be made only for periods ing advantage of trade disof up to six months, apart from counts, can be used to reduce currency exposures and costs— particularly whan the trade dis-Now formal constraints have count is greater than the cost range of possibilities for managing and preparing for incomof borrowing in that currency;
companies can borrow indefiing and outgoing payments is nitely against the security of limited only by the imagination, future export receivables in foreign currencies. Especially when foreign interest rates are markedly below UK levels, this can result in a large interest saving without the exchange risk that would otherwise he associated with this kind of hor-

First Chicago, produces a list longer than bis arm on the pos- currency loans can now be taken out and repaid at any time, according to fluctuations in foreign interest and/or cur-reccy rates. This allows com- Currencies can now be held indefinitely, either on deposit to maximise capital gains in an panies a considerable amount of appreciating currency and/or interest, or else in a pay-andflexibility in achieving savings on both interest costs and curreceive account to meet a payrency exposure. For instance, if a UK company had been astute enough a year ago to take out a ment of that currency due in revolving hank credit in Swiss francs or Deutsche Marks, sterling's firmness allied to the currencies can be switched freely from one account to another; far higher level of UK interest rates over that time would have bills in one currency can be brought considerable henefits • currencies can be purchased and placed at any time to give Even though sterling is now looking less solid against the harder European currencies. greater flexibility than the forcompanies can still take out ward market allows. Previously payments had to he made at the foreign currency finance andwatch on exchange rate move ments-repay the loan as soon as currency rates start to move to the borrower's disadvantage;

UK customers can now be as well as sterling-which can be of great importance when products are being imported from hard currency countries or when goods are being sold with

a high import content, straw poll of leading Britisb companies reveals that, for the moment, treasurers are moving away only very slowly from thinking purely in sterling terms. But if they follow the of the stream of international banks and currency advisers now jostling for their attention, it will not be long before they are fully acclimatised to a multi-currency world.

**David Marsh** 

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# Demand for bank credit embarrassingly high

WHATEVER THE problems of tight monetary policy merely mand, and therefore very operating in the troubled confirmed the impression that largely outside the banks' confinancial environment of the last recession was imminent. it on overciraft the most b

into difficulties with the 7 to 11 per cent annualised tar"corset" control scheme get and compelled the Bank of
operated by the Bank of England to raise Minimum
England which imposes penalLending Rate by three points to ties for excessive growth in 17 per cent in order to resume banks interest-bearing eligible sales of Government stock. liabilities. But the clearing Since then, sales of stock bave banks, with their wide access to run at a very high level, but cheap current account funds, monetary growth is still above have enjoyed a profits bonanza target. as interest rates, and hence the profit margin on their lending, have risen steadily.

forecast for over a year, and it power of a Conservative Govern- overdraft facilities — determent committed to running a mined at the borrowers' de-

form of corporate finance, has been exceptionally strong.

As a result, the Government's a surge of lending in the montary target has been over-October banking month took shot and the banks have run difficulties with the 7 to 11 per cent annualised target.

Not only the Government has been embarrassed. The banks themselves made little attempt In the UK, as in North to turn away borrowers last America, recession has been summer, as they assumed that credit demand was about to baa been generally expected slow down of its own accord. In that the demand for credit the event, though, there bas would weaken. The coming to been further heavy drawing on facilities - deter-

of England, with the result that to cover it, marginal lending becomes unprofitable.

#### Unusual

Tha combination of circumstances that bas produced this persistent need for additional bank finance is unusual. The British corporate sector bas fallen victim to a severe finan-cial squeeze — compounded by the strength of sterling, which increases competition from imported goods. This bas put pressure on profit margins at a time when the costs of labour and raw materials, especially oil, have been running out of con-

Along with higher working capital needs, higher interest costs have cut into cash flow. And most companies have been bearing the burden of heavy

very capital spending plans, which con-they have been unable to cut sharp back—or postpone—this in itself or postpone—this in itself pear, British bankers cannot But credit demand has resonatian to have been short of intely refused to die down, with business at that. Bank lending to the Government. The fiscal/ penalty tranches of the corset the I'K private sector, much of monetary balance of the 1979 to over the winter and puts them business at that. Bank lending to the Government. The fiscal/ penalty tranches of the corset claid deficit of the corporate section over the winter and puts them over the winter and

Now that the peak of economic activity is well past, the demand for bank finance has a different character, although it is as strong as ever. In the January banking month the banks lent more than £2bn to the private sector, taking the 12-month total of new credit advanced up to £8.86hn. The high January figure reflects the debiting of interest charges at the new bigh rates, and the heavy tax payments which many companies will have financed through borrowings. The surplus that the public sector is running during the present January/March quarter will inevitably find its counterpart in a higher private sector deficit. On top of all this, companies particularly retailers — have been caught with stocks too high as demand for goods has

It now seems possible to hope that once the demand for funds linked to this involuntary stockbuilding is out of the way new bank lending may begin to slow down as the tax-gathering ends and the public sector's finances move back into deficit. The very high interest rates charged since November should by now be baving a deterrent effect on borrowing, even though past experience suggests that new debt formation by the UK private sector is astonishingly uoresponsive to price.

However persuasive the arguments that new horrowing, and bence pressure on the banking system from the corsci controls, will soon begin to ease, the banks have been increasingly calling for the corset to be scrapped to relieve them of their present discomfort. They seem recently to avoiding the corset pressure curious anlies over the monthly make-up day, when the banking figures are drawn up. had become a matter of course by mid-1979, and a good deal of lending was channelled through bank acceptances placed outside the banking syslem, which are not counted as part of sterling

The trouble is that if the corset were removed, much of this acceptance "leak"—which reached £1bn in five months last summer-would flow back into the banking system and sterling M3 would jump by an extra 2 per ceol, with ambarrassment all round. The corset has serious limitations as a device for controlling credit, given the ease with which it can be evaded for several months, and the unedifying game of cat-ard-mouse played between the mouse played hetween the banks and the authorities has contributed nothing to the success or the credibility of monelary policy.

Martin Taylor



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# Specialist groups ready with venture capital

bas become a regular event for visible. private sector organisations and consortia to announce their entry into the field of providing finance for small and medium-

Last month, for example, Pilkington announced that it was teaming up with the Prudential Assurance, BP and the Industrial and Commercial Finance Corporation to provide vecture capital for new small companies. On the face of it. this enthusiasm may seem surprising. Competition among willing investors is already tight, the current level of interest rates can hardly be a spur to setting up new companies, and the much trumpeted decline of British industry is affecting small and large companies alike.

The Government has expressed its support for the small company and has certainly been striving to encourgreater entrepreneurial spirit, hut has so far done little in practical terms to stimulate. investment in the small unit. This month's Budget could, however, contain tax concessions for both the investor and

The City may have been prompted into action by the setting up of the Wilson Com-mittee, though the appearance of increasing activity could be in part illusory. Clearing hanks, for example, bave established for example, bave established involvement in day-to-day subsidiaries to handle venture administration varies widely,

THE BOLD entrepredeur now- capital business which was preadays enjoys more potential viously arranged at branch sources of equity and loan level. Their help for small finance than ever before. It companies is as a result more

> A significant shift has been detectable, however, among the investing institutions, perhaps hecause of the failure of either or blue-chip fixed-interest securities to keep pace with inflation over the past few years. In the last annual report of Electra Investment Trust the chairman, Mr. B. P. Jenks, said: "Your Board has adopted a policy of switching out of market leaders into smaller companies where it believes there are unrecognised opportunities for either growth or, in certain cases, recovery." Though unusually committed to this strategy, the Electra stance is hy no means unique.

#### Strengthening

An important factor in the proliferation of financing opportunities has been the growing aggressiveness sophistication of the investing organisations themselves. The streogthening of competition bas ohliged them to market their services more effectively and to respond with more subtlety to the individual needs of particular companies.

Furthermore, in making their services better known they have also assuaged any apprebension among many entrepreneurs that control of a successful project will pass to powerful institutions. While the degree of a controlling interest in its

mutual benefit. The entrepreneur has access to institutions which are prepared to take risks, bave experience of the problems of small companies and will, if requested, remain at arm's length. The expense of a stock market quotation and the difficulty of winning over the sceptical and conservative branch manager of a clearing bank have both been

At the same time the investor is offered the chance of significant capital gain through a minority equity stake while limiting his risk through a broad portfolio and the acceptance of loan stock as well as

The undoubted market leader among these specialist investors is the Industrial and Commer-Finance (ICFC) which defines its main activity as providing capital, financial advice and other ser-vices to small and medium-sized companies. In practice, ICFC concentrates on the small company; its average investment is around £160,000.

ICFC is a subsidiary of Finance for Industry, which is backed by the clearing hanks and the Bank of England. It operates through a network of branches in the UK and, having approved an investment, does not as a rule seek to put nonexecutive directors on

emphasis on smaller projects, ICFC hecomes frequently in-volved in "start-ups" where the initial working capital is pro-vided. It has also found increasing demand for "management buy-outs," where managers of small divisions of major companies use ICFC finance to buy the operations from parent

#### Co-operation

This is always achieved with the co-operation of the former parent, which belps with teeth-ing problems and often continues to buy services or goods from the newly independent company. Last year ICFC made 700 investments, including 112 start-ups and 20 huy-outs. The comparable figures this year are expected to be 1,000, 250 and 50. While the overall level of business is increasing, the buy-out phenomenon is clearly sbowing the strongest growth. and the trend is borne out by others in the venture capital

The ICFC itself finds it bard to explain the sudden emergence of this rising demand. It may in part derive from the concentration by major companies on main-stream opera-

none of the major investors in tions at the expense of fringe the field normally seeks to take activities. Equally, however, it is sometimes the product of an products international company's decision to move out of the UK or of a retiring proprietor's desire to

Another investor is Equity Capital for Industry (ECI). which gravitates to the opposite end of the spectrum by seeking out larger companies with market capitalisations of up to £40m. It has opened files on some 700 companies but has backed only seven, one of which has gone into liquidation. The failure of this project has perhaps made ECI a little cautious hut, for whatever reason, it has failed to meet the aspirations of its founders.

This may in part be because its eminent board of City directors was initially divorced from the needs of small provincial companies. It is, however, questionable whether, in seek-ing out larger companies, ECI is fulfilling a function which could not be served by the stock

In the middle range between ICFC and ECI lies a group of specialist organisations includhouse Development. Both these companies reserve the right to put a non-executive director on the Board and generally exercise it. Partly for this reason, they seek out e modest number of medium-sized companies and thus avoid placing excessive strain on their own management resources.

addition, the expense needed to research proposals in depth prevents them from spreading their wings too broadly. Mr. John Bowman, broadly. Mr. John Bowman, managing director of Charterbouse Development, says theoptimum investment is around While increasing competition within specialist area has made attractive propositions harder to come by, both companies have found that the amount of funds sought per investment is In-

Neither Gresham nor Chartertheir investments into companies with at least some track chairman of Gresham, says he is quirements of small and prepared to look at a start-up medium-sized companies in a proposal but prefers applicants way which would have been who have already proved their unthinkable even particular expertise larger organisation.

Similarly, neither is atracted to high-technology projects, an area comprehensively covered by Technical Development Capital, an arm of ICFC. Mr. Wreford points out that while his directors are qualified to give marketing or financial

guard Industrial Investments, managed by London and York shire Trust Both organisations provide fauls for companies been driver to the stock market by their capital requirements. By obtaining the necessary feeds from MORIH or Safeguard, shareholders of private compenies are spared the need for a flotation.

#### Bandwagon

The clearing banks have also been jumping on the small company bandwagon. Bank for exam through finance. jointly with the Prudential Pension Funds, Moracrest is aimed at fairly sizeable comanother vehicle—Midland Mon-tagu Industrial Finance—for ing Gresham Trust and Charter- the £50,000 to £250,000 invest ment range, and a third - Mid-land Industrial Investmentsfor slightly smaller ventures

Several investment trusts have also turned over the past few years to small listed and companies. potential capital gain is often considerable but there are companies which are etili developing a product there can be a long wait before dividends are paid and it is ex-pensive to investigate this kind of opportunity. Furthermore, the shares are generally difficult to market and, in the case of unlisted securities, value is hard to assess.

Finally, there is a small breed of adventurous companies which specialise in highrisk projects. Norton Warburg Investments, for example, has creasing. They are therefore able to maintain their growth a minimum subscription of applications is stagnant or of around 10 companies ranging from the Chicago Pizza Pie Factory resturant to producers house specialises in high-risk of burgiar alarm detectors start-ups, ploughing the bulk of and developers of an art repro-

> Taken together, these or-Mr. Peter Wreford, gaoisations cater for the re-None-the-less, fought a long and uphill batle to raise the finance necessary development

> > John Makinson

# Reduced scope for Enterprise Board

Board (NEB) is now beginning the NEB is set on its new and to emerge in its more restricted more restricted course. The sigrole following the changes in its functions generated by the Government following last year's general election. It bas begun selling off its major assets and is developing new policies for its remaining areas of intervention in the private sector - helping small and medium-sized compa in the regions and in areas of high unemployment, and encouraging high technology

ventures.
In addition, it still has a role
of looking after lame ducks
such as Alfred Herbert and
BL, unless the latter follows Rolls-Royce into the direct ownership of the Department of Industry.

The Industry Bill, now moving slowly through the House of Lords, puts these functions on a statutory basis. When it receives Royal Assent, probable in late May, it will open the way for the sale of assets to spread gradually throughout the NEB's 60-odd companies, for the new roles to be implemented, and the Rolls-Royce (and perbaps BL) to be trans-ferred to the Industry Depart-

The legislation will be backed up by draft guidelines, which provide the operating details and confirm that the NEB's primary role is to assist in the expansion of the private sector, thus abandoning the last Government's notion that the NEB should primarily aim at

expanding State ownership.

Nevertheless, it would be possible, were the present Government to change its industrial policies, for a more inter-ventionist Industry Secretary to allow the NEB to change tack without any major legislative

more restricted course. The significance of this has been sharpened with the wholesale change of the Board's membersbip last November when Sir Arthur Knight, former chairman of Courtaulds, replaced Sir Leslie Murphy as chairman at the end of the row over whether the NEB or the Industry Department should own Rolls-Royce. Sir Arthur now has a new Board and a new chief executive bas recently stressed that the NEB wants to build part-nerships with the private sector, and particularly with financial institutions.

#### Guidelines

This is not a new departure for the NEB because Sir Leslie Murphy successfully launched several joint ventures with the clearing banks and other institntions between 1976 and 1979. What has changed, bowever, is that the NEB is now to be required under the Bill and guidelines only to make new investments which include private sector finance as well as

It is to be allowed to invest only where it is satisfied that the needs of a company could not be met from other sources finance, and its investments must also be sold off into full private ownership as soon as practicable:

In a recent speech to pension roles. First it was a "henevo-lent but involved shareholder" likely to receive perhaps about waiting longer than usual for £50m to £70m in 1360-81, and returns on investment, but intervening when it was worried it bad a national role to try

and encourage the effective development of industry. We have in the NEB the beginning of a mechanism which can do for certain industrial situations what the developers and estate agents have done for property, combining perhaps the NEB's responsibilities with other institutions' power," he declared.

The necessity for the N and B to link up with City institutions is emphasised by the limited amount of funds it is to be allowed by the Government. The details of these funds are likely to emerge more clearly when the Public Spending White Paper is published later this month. It may then become apparent that the NEB will not have enough funds to do more than service its existing commitments during the next three years, especially in tha high

technology field.
In the 1979-80 financial year
it originally had £100m available, apart from its allocation for Rolls-Royce and BL. This Government cut the amount by £30m to £70m. Ideally Sir Reith Joseph, Industry Secretary, would like to reduce this further to between about £15m and £25m a year, split between £5m for the NEB's work small- and medium-sized bus nesses and its general but rather vague regional su role, and about £10m to £200 for its high technology ventures

accepted that these would be In a recent speech to believe impractically small amount fund managers Sir Arthur impractically small amount Knight said the NEB had twin because of the NEB's existing therefore commitments. It's therefore commitments about something approaching £100m for the following

"... I asked for less and you gave me more!"

that. You did a good job there, said Mr Wagstaff.

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the business. You won't go far wrong with

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place, and fall asleep dreaming of exporting

Perhaps we can help your dreams

come true, Mr Greening. Hi-fi to Japan-

that's just the sort of coals-to-Newcastle

challenge our branches thrive on!'

flow in the first place, Mr Wagstaff.

him on your side.

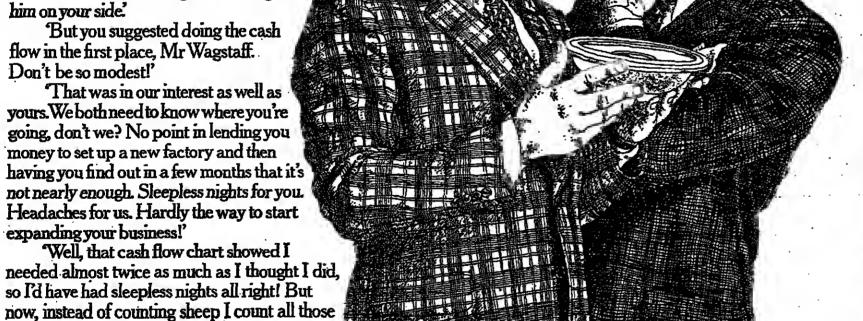
Don't be so modest!'

expanding your business!"

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You've got your cash flow projection to thank for

"With a little help from you and Jack Rogers!"



Wagstaff reflected on the novelty of it all.

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It was like

Oliver Twist in reverse, Mr Wagstaff...

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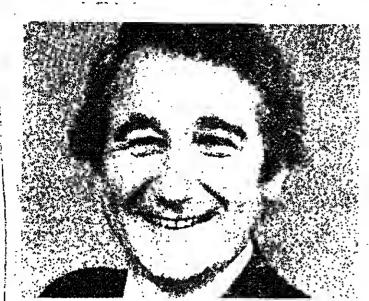
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CONTINUED ON NEXT PAGE

#### In interviews below the finance directors of three leading companies discuss their strategy with Richard Lambert

# Facing up to the squeeze



Mr. Paul Bosounet

# BOC: reappraisal

in the recent annual report from BOC International. Faced with

John Viskie

REAPPRAISAL AND rationali- of the product and service sation formed a recurring theme diversifications embarked on in

earlier years.

In part this is a reflection inadequate returns from a of general economic pressures oumber of its UK activities, the the change from the expansive group made it clear that it was mood of the 1960s and early

fioancial climate. But there is nuisance value—and whether it the UK and the U.S. more to it than that, according takes up a disproportionate to Mr. Paul Bosonnet, a deputy amount of management time and group managing director with effort. If a business comes out heen changed by the acquisition Otherwise, it is likely to find of Airco in the U.S. - which itself up for sale. roughly doubled the group's size and altered its perception of ahead with a heavy programme what should be counted among of capital spending on its main-

the thinking behind BOC's past moves to diversification. In the late 1960s it thought that the gases business around the world was maturing, and getting close to the point where it could no longer offer scope for worth-while growth. Now, Mr. Bosonnet says, the long-term growth of the market is reckoned to be about 6 to 10 per cent in real terms, and the UK stands to-wards the upper end of that

So it is now reappraising its various activities, using four main yardsticks. One is the significance of the parlicular business group to the whole enterprise. Another relates to its position in the market place, and whether it offers

responsibilities for finance and badly on all these counts, then portion of turnnver, and com-administration. The whole it has to justify itself by an pares the figures with past nature of BOC's business has above average financial return, performance and with what

its significant business activities. stream activities. There is no Another algnificant change single hurdle rate by which new has also screed to undermine projects are judged, and Mr. ment phlegmatically, but con-the thinking behind BOC's past Bosonnet, like other financial cedes that the current level of maoagers, is not at all certain income and capital gearing is about what rate of return should towards the higher end of the about what rate of relum should be regarded as satisfactory in today's climate of high inflation today's climate of high inflation ideal over the long-term. He rates and uncertain capital costs. thinks that Income cover of 'All the group's main com- around two or three times on panies now operate on a CCA a current cost hasis might be basis for reporting purposes. "This has not substantially changed our judgment about individual businesses," says Mr. Bosonnet, Instead its value has neen to reinforce management's views about the strengths and weaknesses of particular sub-

might have been the case a couple of years ago. Like other

BOC plots the dcht of its separate business groups both managers had said they could

For as long as most people can remember, BOC has been criticised for its relatively high level of financial gearing. Mr. Bosonnet treats such comcedes that the current level of range that would be considered around the right sort of leveland that gets back to our helief that profits could be

Pendlog such an upturn, the figures have been helped by a decision taken about a year ago to pin down some fixed rate BOC is also putting more dollars — with a life of up in management pressure on the about 2! years. As a result control of working capital than BOC is paying around 10! per cent this year for its shorter-term finance, compared with BOC a base from which it big groups, it says that its what might bave been 14 or 15 can compete effectively over debtors have started to pay their per cent if it was all at current the long-term. A third is its accounts more slowly, both in market rates.

# Tate and Lyle: eye on cash

FOR TATE and Lyle the period of retrenchment started longer ago than for most companies. A programme of heavy capital spending combined with a sharp fall in profits to produce a serious cash problemthe scale of which hecame. apparent in January, 1979. when the group hacked its dividend payment.

The deciaint, disconcerted the Clty, but according to finance director Mr. James Forhes the repercussions within the group were much more favnurable. The decision was not made just for the effect. We faced heavy eash demands and the profits outlook for 1978-79 was uncertain. But it brought home to everyone in the group that we were in a tight situation." The message seems to have

got home. Total remuoeration paid to UK employees rose just 2 per cent last year, while investment in working capital was up by less than 6 per cent. With the help of some major fixed asset disposala, overall group horrowings fell by £16m. One of Mr. Forbes' priorities has been to get as many people as possible involved in the drive on working capital. Four times a year the main Board budgets. Head office has for now gets a detailed breakdown some time acted as a central of how much money is tied up, and where. And over the past year head office has been taking

ate subsidiaries.



Mr. James Forbes In Mr. Furhes' view, "screwing down the nuts and bolts of working capital is an issue for individual managements - but we can influence the process." One innovation is a system of cash limits which has been imposed on the separate subsidiaries, based on their agreed banker to the group, but only now do warning lights really start to fiash if a company a much more active interest in starts to swallow up more cash the cash demands of the separ-than anticipated.

Another decision taken at an

early stage in the retrenchment was to tie up a £30m variable rate unsccured bank loan. running through to 1985-88, This significantly lengthened the 2roup's deht profile, which was a comfortable thing to do at a time when it was not sure how much it might get from its asset sales.

Capital spending continued to outstrip the depreciation charge, largely as result of decisions taken several years ago. But the hig projects are coming lowards completion, and Tate is now beginning a process of self examination to decide how its assets can be best allocated in the future.

The group still faces a bard slog to secure adequate profits and its interest cover is some way short of Mr. Forbes objective-a figure of at least 34 times. Its borrowings arc tikely to rise again this year, partly because of bigher commodity prices.

But its financial position looks more secure than it did is confident about its financial mulook for the next couple of common with many other finance directors, is the problenis that will arise in the mid-1980a if the pressures of infla-Is a limit to how much you can sharpen up and achieve through good housekeeping." he warns.

# Redland's defences

REDLAND IS much lietter placed than most UK companies to face a period of economic standation. Geographic diversifi-cation is its first line of defence the UK accounts for not much more than a third of its profits. In addition, it has taken specific measures in recent years to prepare itself for the problems which loom in the UK over the next 18 months.

Mr. Antony Hichens, a deputy managing director. frequently refers to the shock felt by the busicess in the downturn of 1974-75, a period which he calls "my baptism of fire." In 1974, he says, "we didn't fully understand what was bappening to the company, and we bad to work it out as we went along. Today we are far better placed to know what is happeoing."

Ooe of the key changes has been the development of an increasingly sophisticated system of current cost accounting for management purposes. Each division is measured monthly by target is a figure of 8 to 12 per cent before tax and interest.

6 per cent, and leaves the group room to fulfil two other loog-term husiness objectives—to finance real growth of 5 per cent a year and to maintain the pur-chasing power of its dividend payments. These targets bave been achieved in recent years.
As bead of financial manage-

ment, Mr. Hichen's own alm is "to provide people with infor-mation on which they can go away and make rational decisions." The emphasis on real profits is especially important at a time when volume is weak and managers are tempted to hold down prices in order 10 sustain the level of business.

To make managers fully aware of the financial consequences of their decisions, Redland is currently changing its accounting systems to make the regular reports of individual subsidiaries reflect their share of the tax, finance and dividend costs which are carried hy the central organisation. The cal-culations are difficult, because they are largely notional. Yet Mr. Hickens bopes that bey will bring home to the subsidiariea the real cost of carrying surplus

working capital. High inflation has not led the group to change the criteria by which it judges new capital investment. Mr. Hichens investment. Mr. Hichens believes that pushing up the entry barrier can lead to the deferment of necessary replacement decisions or simply en-courage people to do their sums less conservatively. But stagfia-years ahead.



Mr. Antony Hichens

tion has led Redland to think barder about the long-term its current cost return on total stability of particular businvestment, and the long-term nesses. The group is also introtarget is a figure of 8 to 12 per ducing a new budgeting system arget is a neure of 8 to 12 per in 1980-81 which has been cent before tax and interest. in 1980-81 which has been This compares with Rediand's designed to make sure that stimaled real cost of capital of whatever happens it will not bave to cut back on projects which are already under way.

> The financial programme has been divided into three parts. Each division is assured of receiving a hard core of its capital needs, amounting to about two-thirds of the total budget. Part way through the year an extra tranche become available for agreed projects if the subsidiary-can show that it can still justify its original cash forecast for the year. Release of the third tranche will depend on the group as a whole being satisfied with its cash performance.

Mr. Hichens is also anxious to improve the measures of productivity available to management. One yardstick is enrrent cost profits per head expressed in constant pounds—8 figure which, he says, can make the toughest manager blanch. Volume per head and the ratio employee cost to value added are two other measures to which be attaches importance. Redland's financial strength

has improved substantially since 1974-75. Its net worth bas more than doubled, whereas its loan capital is only a little higher. It took steps well abead of the recession to tie up longterm finance, and as a result it has virtually no overdraft at present. While other companies are being forced to contract in real terma, it is in a position to plan further expansion in the

# Enterprise Board

CONTINUED FROM PREVIOUS PAGE

new bigb technology ventures at Shotton to provide high will depend partly on how much support it can raise from financial institutions for its panies can therefore now look to the NEB in three-ways. First, the Transport allows it to be needed to the ness of withless the provided the ness of withless to the ness of withless the ness of withless the ness of withless the ness of the ness of withless the ness of the ness of withless the ness of the supposed to bave yielded £100m for the Treasury's filon sale of State assets by the end of this month. The time limit has new been waived, but the Treasury will still want the proceeds of the sales when they happen.

Once some of these figures emerge in the White Paper, the NEB will produce a detailed policy, hased on its high tech-nology companies, that ties in with its other roles of helping both small businesses and regional development. Arthur Knight would also like to have a wider "catalytic" role developing special products like, for example, its

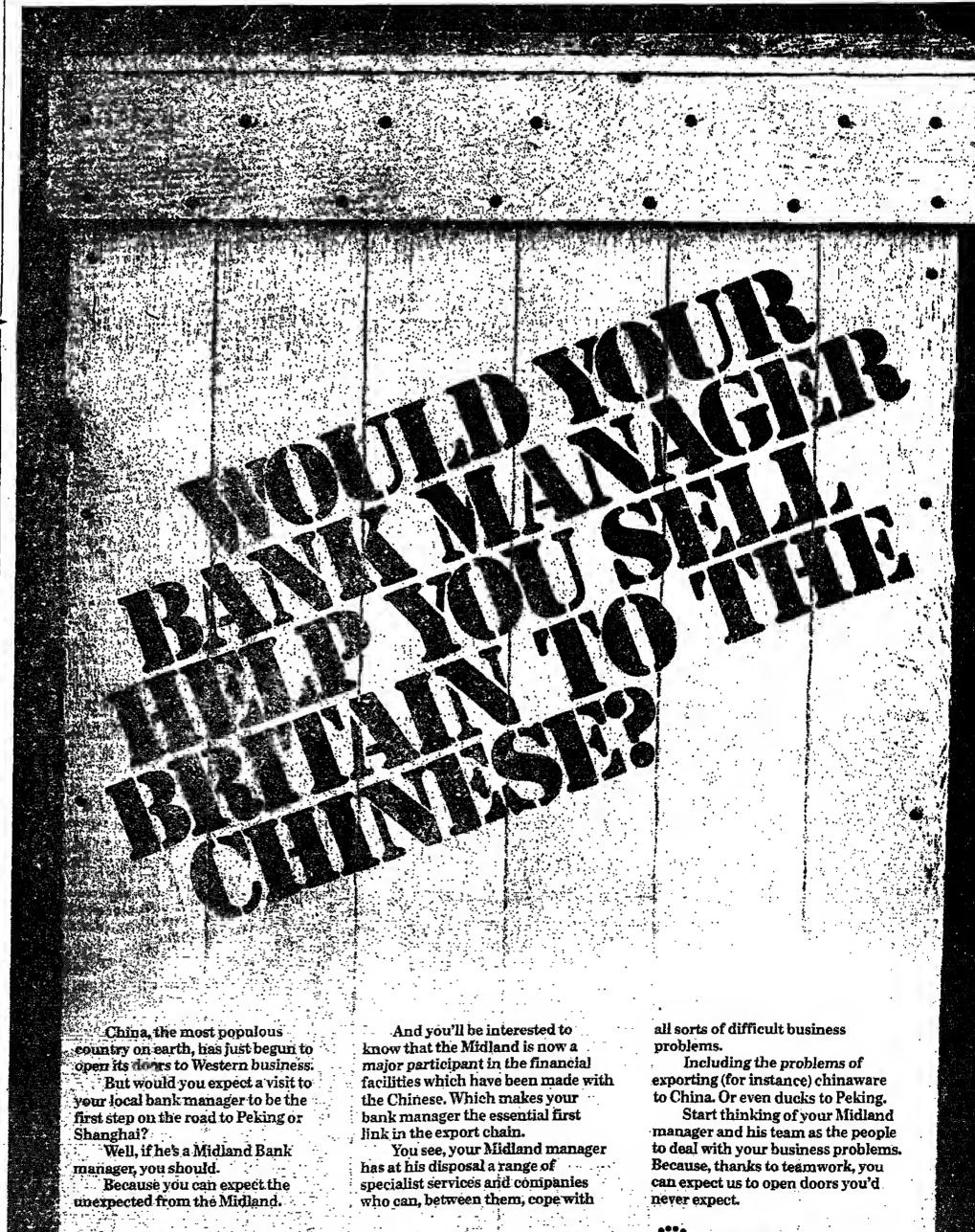
NEB's freedom to engage in titanium plant now being built

the Treasury allows it to keep it will be a source of viable from the proceeds of its sales businesses when it fulfills its role of selling off its profitable main holdings in companies companies. Secondly, il will be such as Ferranti, Brown Boveri a source of fairly "soft" funds Kent an dFairey. These disposals: along with last times than many financial institutions would want to consider on their own.

Thirdly, it will set up high technology projects for which it will scnur the City for support-

ing finance. Its record of success so far in its various ventures has been mixed and there have been some failures. It has has raised considerable controversy with its investments in projects like the Inmoa micro-chip company. What remains to be seen is whether, in its more restricted guise, it can be a significant catalyst and source of funds to accelerate the developments of

John Elliott



You can expect the unexpected from Midland teamwork : Midland Bank

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How suspicio

Bank of

Who's who among the merchant banks

Benson, which has a lucrative

bullion dealing subsidiary, it is

a lesser contributor than at

Morgan Grenfell. But all of the

hanks recognise that curporate

finance is the activity which gives them highest visibility in

the business community, an

activity which has its own

Corporate finance is, there-

fore, highly competitive. Each bank is striving for the

hrightest graduates, the most

gest clients. The shape of the

future may be that major com-

panies, with their own finance

teams to handle mundane tasks.

will become more fluid in their

choice of advisers for the ex-

ceptional larger deal, choosing the hank with the highest reputation for the particular

job rather than tying them-

selves down to a long-term rela-

the principal London banks,

personalities and leger known throughout the City.

On this page Michael Lafferty and Robert Cottrell present brief profiles of the City's leading merchant banks, most of them institutions with a long history of financial expertise.

CORPORATE FINANCE is seerchant hanks will often prove a profit earner. At Kleinwort generally held to be the surprisingly receptive to small glamour side of merchant bank-companies. For corporate froid born of brilliant minds. hopes of replenishing client The reality in most cases is

rather different. At the top of the table millions of pounds may indeed turn on the quality of advice which a department can give quickly and authoritatively in the course of launching or resisting a bid. But corporate companies of perhaps only £5m capitalisation, whose needs may extend at most to securing a Stock Exchange Rule 163(2) quote in the indefinite future. Many small companies are

introduced to the corporate finance services of a merchant bank through their clearing hank, which will naturally tend to guide the company to its own subsidiary. In this Way Samuel Montagu for Midland, Couoty Bank for NatWest, and Barclays Merchant Bank have built up useful portfolios of growing

of the world's largest commer-

a company can obtain from the

The merchant hank seeks to

Barclays organisation are strong. In the UK for example this means medium-sized com-

panles up and down the country,

which are already probably

banking with Barclays.

The merchant bank was in a

news a few years ago when Barclays brought in Sir Charles

Ball, previously head of cor-

Barclays organisation.

cial banks. As such it may be chant bank, seen as part of the "total financial package" of services which department

porate finance at Kleinworts, to become chief executive. The Queensway, experiment ended ahraptly two sidvised Hardy.

Barclays Merchant Bank

BARCLAYS MERCHANT Bank years later, when Sir Charles

ing-ao areas where diplomatic, clients tend to prove remarkunruffled and ruthless young ably loyal to their bankers, such men launch and destroy multi- that maintaining a "nursery million pound deals with a sang of amall companies is vital to lists in perhaps ten years' time.

The company will first come to its merchant bank when, perhaps, it needs to arrange project finance beyond the facilities of its clearer. It may then move to a restricted stock exchange quote, and in the case finance, even for the City's of a successfully growing com-major merchant hanks, ranges pany to a full quote. It may down to relatively small private find itself on either end of a merger, may need more capital through a righta issue, and at a certain size may seek access to

the Eurobond market. Generally speaking, merchant hanks will provide all of these services through their corporate finance department. While in many cases Eurocurrency dealmernational department or a specific Eurocurrency department, the corporate finance department will usually provide liaisnn with these department. for a UK company.

Corporate finance is of vary. The information is in each case ing importance to the banks as aupplied by the bank itself.

Today the corporate finance

deals it has bandled over the

Bank points to Comben Homes' successful takeover of Orme

developments, Roy Strudwick's

attempt to regain control of Royco, and the takeover of

Hardy, the furnishers by Harris

where Barclays

# Baring **Brothers**

is the merchant hanking arm of resigned on the issue of Britain's higgest clearing bank, whether business such as which also happens to be one medium term lending should be medium term lending should be NINE MANAGING directors channelled through the merand 21 other executive staff man the corporate finance department at Baring. The department has no one chief. Five of department is led by Oliver Stocken, previously of Roths-child and Warhurg. He bas a the staff work solely on project finance. Barings' ctlents are in staff of 25 executives, most of the main medium and large-sized companies. It has always operate mainly in those areas whom are accountants by train-where other parts of the ing. Another group of about 10 heen particularly active in the people bandles particular aspects of corporate advice.
As examples of some of the mergers and acquisitions field. Among its recent major operations have, been advising the Guthrie Corporation on fighting past year Barclays Merchant off Sime Darby; Highland Distilleries against the Hiram Walker hid; Philips Industries on acquisition of the minority interest in Pye Holdings; and the placing (jointly with market for flotation over the Morgan Grenfell) of Imperial past two years than any other Group's shareholdings in BATs.

TOP 10 MERCHANT BANKS By number of quoted clients 1. Hill Samuel 103 Warburg 95 Schroder Wagg 90 Kleinwort Benson 70 Morgan Grenfell 70 Samuel Montagu Baring County Bank 9. Rnthschild Hambros Source: Crawford's Directory of City

£m By 1979 rights issues 229.5 1. Schroder Wagg 119.9 Warburg 94.7 Hill Samuel Kleinwort Benson 76.4 Rothschild 64.7 Morgan Grenfell 46.2 30.7 Hambros Baring 9.8 5.8 Lazard Samuel Montagu

Rights issues by Irish companies after Ireland's entry into EMS are excluded. Proportionate interest in each issue allocated to each financial advisor. Sonrce: J. Henry Schroder Wagg and Co.

## County Bank

COUNTY BANK, the merchant hanking arm of the National Westminster Bank group, has heen in the news recently because of its advice to Decca in the contested takeover baltle between Racal and GEC.

County sees itself as a merchant hank with a wideranging competence. Over recent years it bas been husily building up its client base among medium-sized but growing companies up and down the country, without necessarily restricting itself to NatWest

The corporate finance department is led by John Morgan, a solicitor who previously worked with Slauughter and May. He has a staff of about 30

County does not pretend to be one of the largest merchant hanks, but it is working bard at growth. Examples of deals done recently include a substantial secondary placing of MFI shares, and advising Harris Queensway in its takeovers of Hardy the furnishers and Henderson Kenton, It handled the flotation of Link House Publications. Altogether, it claims to bave brought more new companies to the stock market for flotation over the

# J. Henry Schroder Wagg

one of their hest competitors. Informally, many corporate finance people reckon that it is prohably the number one or two bank in domestic corporate finance at present.

The corporate affairs department at Schroder is led by Hugh Ashton. He has a staff of about 40 executives, 50 per cent of whom are chartered accountants by training.

Over the past three years Schroder has been the leading merchant hank in domestic rights issues. But this is hardly surprisiog aince it sees itself as "the bank with the largest numher of the largest UK companies" as clients.

Among the successful bids teen-seventy-nine was a record and deals which Schroder has year for fees, he agrees.

ALL THE leading hanks in cor-porate finance rank Schroder as past year are Oil Exploration's agreed deal with LASMO, the Sandeman takeover by Sea-gram, the Sedgwick Forbes/ Bland Payne merger and the takeover of Westinghouse Brake hy Hawker Siddeley. Schroder says it does not normally go in for contested bids, but it now finds itself advising C. T. Bow-ring against the unwelcome hid from Marab and McLennan of the U.S. In each of these cases Schroder was advising the first

company named. Bids where Schroder's clients did not win include the Spillers takeover by Daigety and GEC's

acquisition of Averys. Hugh Ashton emphasises that corporate finance is a very important part of Schroder, Nine-

#### Hambros

department at Hambros is corporate re-structuring last headed by executive director year. Hambros is particularly Mr. Christopher Sporborg, Three directors and nine officials make up the department. Major

CORPORATE finance and Charter Consolidated on its

keen to hulld up its small company clientele—which it fears may be instinctively put off by up the department.

recent johs have included advising Thorn on its hid for EML, status. It enjoys handling entrepring the preneurial clients, amongst preneurial clients, amongst preneurial clients, amongst Goldsmith. It is developing an interest in the huying and re-

Rothschild

THE CORPORATE finance department at Rothschild com-

prises 30 executives headed by

director David Secker Walker, While covering all aspects of

corporate finance, the bank has

particular expertise in inter-

national deals involving the Americas and south-east Asia.

Of late, it has found itself

involved more with mergers and acquisitions work than with capital-raising. Its involvement

in major recent deals includes

advising Tesco on its bid for Cartler Superstores; the National Enterprise Board on placing its ICL shares; and Northern Foods on the acquisition of U.S. company Bluebird.

# S. G. Warburg

THERE ARE few areas within burg has been at the centre of UK merchant hanking in which some of the most interesting Warburg is not regarded as one of the most successful advised on the "Canadianisaoperators. This is particularly tion" of International Thomson true of domestic corporate fin-ance, where most of its main competitors rank it as one of competitors rank it as one of recent successful hid for Averys, the five leading merchant banks. its advised Tannaco in its take-

of corporate finance at Warburg and it is currently advising is Michael Valentine. He has a team of about a dozen directors, and 35 further executives.

This bank tends to be associated with the larger new issues, and has a client bias towards the more modern industries like electronics and service companies. Clients are ness. Deals are becoming in-mainly medium and large creasingly international, he quoted companies.

Organisation.

Mr. David Scholey, the deputy chairman at Warburg, acknowledges that corporate finance is a major part of the bank's hussays. "There is a lot of business Over the past year or so War- on the boil at present."

bids and deals in the City. It

Warburg advised GEC on its

# Morgan Grenfell

WITHIN THE City, Morgan Grenfell is often talked about as one of the outstanding success stories of merchant banking over the past decade. It is hanks in domestic corporate finance.

is Director-General of the Takeover Panel. He has a staff of about 40 executives, including a tax department and eight directors. Like most other cor-porate finance departments, the dominant discipline at Morgan Grenfell is accounting. Indecd more than half of the staff in the department are chartered accountants. The next largest

Over the past year it handled a £17m rights issue for Tricen-trol, and advised on LASMO's successful hid for Oil Exploration. Other acquisition deals it has been involved inclade GRN's takeover of Sheepbridge Engineering, United Biscolts' acquisition of Speclalty Brands in the U.S., Imperial Group's proposed acquisition of the Howard

houses, judged on the hasis of disclosed net assets. It is also

one of the leading hanks in

corporate finance, both on a domestic and international scale.

to take a lower public profile

on the corporate finance side than it did in the days when

Sir Charles Ball was head of

this division of the hank. The amount of publicity Sir Charles

got left the impression, some

executives feel, that corporate

finance was the main part of the hank's business. This is fer

Today the corporate finance department is headed he Andrew Caldecott, a vice-chair-

man of the bank. He is backe, up hy a deputy. Lord Ruckle,

and a number of senior executives with responsibility for Aerospace.

from the case, though it nevertheless a vital part of all

the hank's services.

These days Kleinwort prefers

The department is curently led by Richard Webb, who is tanding in while Graham Walsh group is lawyers, followed by

husiness and other graduates. The corporate finance department is involved in a broad range of companies and industries. One area of speciality is Johnson group—and, most re-cently, GEC's unsuccessful hid for Racal.

The corporate finance department is acknowledged to be an important profit centre for

Morgan Grenfell, Richard Webb also sees success in this area as very important for the way the bank sees itself, and is regarded externally.

# Lazard **Brothers**

director Mr. E. W. T. Barnes heads the departments at Lazard. He is supported there by nine main board directors, and 16 executives, providing services to 47 quoted clients. Major recent jobs included advising EMI on the Thorn bid; Dalgety on its bid for Spillers; the defence on Wellman from Redman Heenan; and jointly under-writing the BP share issue last year. Lazard is particularly experienced in the handling of oil-hased clients. Its close working relationships with Lozard Freres in Parls and New York facilitate international deals for Howard clients like BOC and Umlever,

> chartered accountants, and the next largest group, by prnfes-

sional hackground. Is lawyers.

Apart from this there are several people taken in

successful merchant bankers.
If Kielnwort has a speciality
it probably lies in the retain

and services areas. However

It has an interest in most industries.

Were the past year or so. Kleinware has been involved with Sime Destroy unsuccessful bid for Guthand reportation, it successful the large of the Brand for Caledonian Huldings, and it floated the B and O reliait chain. It has also

and Q relail chain. It has also been retailed by the British

Guvernment in connection with

the proposed flotation of British

Over the past year or so

have proved

graduates whu

# BARCLAYS

#### PRINCIPAL SERVICES

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# Samuel Montagu

MR. JOHN GILLUM, deputy chairman responsible for cor-porate finance, heads a department of 20 executives, including six directors, at Montagu. The hank is a subsidiary of the Midland, which provides it with a ready-made introduction to many growing companies. It admits to being well-regarded for its takeover defences, which bave included helping Dawson International to resist William Baird. It advised the Midland Bank and Bland Payne on the merger with Sedgwick Forhes, and advised the English Property Corporation through three takeover bids.

# Hill Samuel

EXECUTIVE DIRECTOR Mr. David Bucks heads one of the City's largest corporate finance departments at Hill Samuel Five directors are on full-time attachment, with the services of three others on call. Backing them up are 28 executives grouped into teams of four, with one team specialising ln mergers and acquisitions. The other teams are attached to client lists. The bank has a strong regional presence, and is traditionally around the top of the rights Issue tables. Major recent jobs have included advis-ing Racal on its hid for Decca; Eagle Star on its hids for Bernard Sunley and the English Property Corporation; and Sea-gram on its hid for Sandeman.



# **Gresham Trust**

Kleinwort Benson

RLEINWORT BENSON is particular groups of clients.

generally acknowledged to be Alfogether, the department has

the largest of the City accepting a staff of about 30 people, houses, judged on the basis of Some 40 per cent of these are

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#### THE MANAGEMENT PAGE

TERRORIST attacks have become an every day occurrence since the early 1970s. To be exact, in 1979 they were an eight - fimes - daily occurrence. according to a recent report on terrorism by the U.S. Conference Board, a business-backed organisation dedicated ta the study of "solid facts on which managers can base their decisions.

As businessmen and their families account for almost half the victims in terrorist attacks, there is clearly good reason for business to address itself to the problem. Europe, the report ays, was the location for over balf the recorded incidents.

The most usual form of attack on businessmen is the kidnap and ransom demand. Some of these, like the German abduction of Dr. Hanns Martin Schleyer, president of the Employers' Federation, whose body was dumped after a 41-day though they are to some extent are well known and often work-pholographs in hotel rooms to prevent the assassination of detention in October, 1977, have subjective — IRA activity in ing in politically-sensitive terri- until a few years ago, when a Presidents, there are no foolled to the victim's death.

The majority of kidnappings, however, do not lead to death or even injury, but to what is liself a crude and violent form of business negotiation over the size of ransom and terms of release. Ransom demands of Over \$1m are now commonplace: the record. rot for a businessman, was the price put on the head of Aldo Moro, the former Italian Premier.

Since 1970 an estimated \$150ni has been paid out to interna-tional terrorists. Of the 567 kidnappings in this period, 35 have resulted in death.

The figures are chilling, even

of the Patent Office, to whom

for tory. Britain and Ireland, example, is excluded. Equally But the biggest industry by phere and the divorce laws lation of sound window-catches grim is the realisation, amply far is that of security leself, destroyed that particular line or burglar alarms, the best you

them altogether...

precise figures for which tre not available for obvious security reasons. Normally, the report says, coropanies are self-insured for the first half-million or million dollars of a ransom payment. Premiums are high, hut are a worlhwhile precaution for companies whose top executives occupied taking clandestine

looking for the proverbirl needle

for as to done that the Drift's pate start well about 15 still much

recently owned international Petent Classification which is of

little use because of its long

thre yearly; updating period and problems exused by multi-

liggial sources—some of which are in countries which are only

row developing a untional

it used to be. Answering a parliamentary question Hr.

Reginald Eyre, the Department

the Priont Office made it clear

admit ther there is any descrio-

totion, and in any care does no.

the Covernment does not

The cry is rather that the

The booming business of executive ransom

illustrated in the report, that The Conference Board offers for of business. a substantial industry has executives a detailed package of Governments have poured grown up aimed at both mitiga- advice on how to avoid finding resources into other forms of grown up aimed at both mitiga- advice on how to avoid finding resources into other forms of the terrorist to seek his victim ting the financial consequences themselves in the hands of kid- anti-terrorist precautions. In further along the street. now offer ransom insurance, the above all, never becoming a

creature of habit. to the use of bodyguards and so-called easts doubt on the quality of some of these agents, suggest- explosion. ing that many of them were

change in the moral atmos-

of terrorist acts and preventing nappers. These include using the U.S. efforts have ranged them altogether... false names, regularly changing from the establishment of a Many insurance companies cars, avoiding remote areas and, sophisticated FBI anti-terrorist centre to a proposal by the Treasury that all non-military Beyond these self-help ideas, explosives should be obliged to many companies have resorted contain a specified number of contain a specified number of so-called "tagging particles" other security staff. The report which would be identifiable by forensie experts after an

> But, the report adds, if the US. Secret Service is unable

proof systems. Like the instalcan hope for is that your own security efforts will encourage

Some of the procedures recommended for the securityconscinus businessman are: • Make reservations under

false names. Remove company identification from vehicles and other highly visible property. • Ensure that alt phone

numbers are ex-directory.

· Change cars and numberplates of top executives' cars at regutar intervals.

• Instalt security devices at parking places used by and executives advertise an executive's parking space with signs like "This space helongs to the Managing Director."

In high-risk countries, avoid travel by executives or their families to remote rural areas and learn to become less of a creature of Avold traveliling in work hy the same route or at the same hinr each day. Nearly three-quarters of attacks on executives began with the blocking of a car

carrying the victim. · Keep an accurate and npto-date security dossier on top execulives, including such prints and emptacts where dental information records could he obtained.

INTERNATIONAL TERRORIST 293 278 206 311 388 572 728 1,256 1,511 1973 1974 1979

\* First nine months only. Source: "International Terrorism and Business Security. ba E. Polrick McGuire (Conference Board Bulletin No. 65). Available from The Conference Roard, \$45 and Arenue, Nex

York, NY 10022, U.S. Ian Hargreaves



: Hell

azard

Frust

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A STORM is blowing through the closely knit community of British patent agents and patent searchers. The cause of the innest was much discussed in a spate of letters published in The Financial Times in December, all complaining that the Patent Office has arbitrarily changed its system of indexing patents so that it no longer guides the searcher to previous patents concerning a particular type of product, process or

The deterioration was caused, is, alleged, by discontinuing the index codes Indicating the ess which a particular invention is meant to serve, and On the contrary, this type of instead classifying patents only classification, hased on the

latter (Dec. 6, 1979) makes it recessingly more difficult to determine whether an invention is truly novel. Mr. Arnot is one f some 200 patent searchers. virtually living in the library

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accused of an infringement of patent. Anyone so accused will try in prove that the patent is out valid and in most cases will commission one of the patent scarchers to look for a previous patent in which the same invention was disclosed.

One of the examples given of system is the classification of a British patent granted for the British natent classifications invention of a carbon coating published since 1817—16 which which renders surgical devices. Some 40 000 are aided each year such as a heart valve, more acceptable to the human hody. This is now listed under "coating with metals " and under "coated products" but not under prosthetic or surgical devices or under "valves."

This example, and the others in a hapsages, given by Mr. Arnot, do not No-one in Francis less gode so given by Mr. Arnot. do nnt Thite support his argument that it is now more difficult to disprove the validity of an existing better and more proving than patent, so that its infringers classification and in other suffer and unnecessary royalties countries not to speak of the often have to be paid abroad. instead classifying patents only according to the "Inventive inventive step, would facilitate step," by which their granting of the novelty of any later This, wrote Mr. R. Arnot in a prient granted for the improvenient of a heart valve by carbon

> The other argument, that this inanner of Indexing makes it British system is not as good as difficult to find out quickly it used to be. Answering a what the state of the art of making heart valves is — a knowledge anyone emberking of Trade Illrister responsible for on their development, manufacture, marketing or selection would need to acquire - seems much more valld and explains why so many renowned indus-'Arnot's growing campaign for a short Bill seeking to Impose on the Patent Office a duty to Index.

> monopoly of would be used by its accusers as the resulting evidence against it. This silence



Patent Office agreeing to take inventions applicable to hicycles the Financial Tunes and the but listed under "lubrication" public lute its confidence.

A discussion with Mr. I. J. G.

If a scarcher had called for

Davis, the Comptroller General, all references to a motor car and his principal assistants in 1912 he would have received responsible for classification and indexing revealed immediately that the change is seen in the Patent Office as a result not of decisions taken by them, but of

They see it as a gradual process which started long a small classification of its own, before the new Patent Act of It is estimated that on aver-1977 made the work of age ao examiner spends about examiners more onerous. However, this Act leot a greater patent specification according to urgency to the revival of the objectives of the original British natent classification which was devised. In the last years of the 19th century, mainly to assist evaniners to assess the novelly of inventions. For this purpose spend more on providing a more emperhensive index. The Patent Office, recused of, it divided and sub-divided invenreducing access to notent infor- tions into logically organised fication system widely used by matten and of lesing sight of line categories very similar to the governments and industry function as a disseminator of decimal system used in libraries, throughout the world.

1echnical information, originally Only much teter, between The Patent Office accepts that way, according to the use they survey.

This is no small matter. The social benefit expected from the social benefit expected from the patent system; lies not only in technical that it could not be made as the survey.

The patent office accepts that the subject was so absorb elements of indexing the SIC product classification which enabled the searcher to would pose no great problems. patent system lies not only in technical that it could not be which enabled the searcher to would pose no great problems the encouragement of research emplained to the public and that trace all specifications referring. In the examiner, but insists that

up so loog a list of references as to he quite unmanageable. To be useful, such index headings rould have to be further subdivided and each developed into

the Brilish patent classification key. Those in favour of the re-introduction of a product classification armie that It would take only another 30 secs, or so to-add an Index code according to the Standard Industrial Classification (SIC1, the product classi-

Consided outside the of additional elerical work at "vehicle" category: in this way the later stages of the process, the searcher would be led to The additional iodex code would

required.

into the computer nicmory: the input time for computer coding is high and the computerised retrieval systems are claborate applications.

and inflexible, so that the Palent retrieval only in two areas covering only a fraction of its examiners more difficult Moreover, each additional index code would aild to the burden of providing lists of

These were the factors which over the past ilerade caused the Palent Office to move gradue.

These were the factors which been salisfied that the invention was new when these move gradue. away from product indexing they must now east their nets and to concentrate more and much wider. Tals is bound to

to the inventive step.

The Patent Office referred publicly to this new policy for cations system. As the Patent the first time in 1978 in connect Office is bound by the Civil tion with the annual revision of Service personnel limits and its classification key—a task the government seems in no that took about 7,000 man days mood at present to sanction an a manageable parcel of papers, io 1979. On thal occasion it expansion, it would not be To do so now would be to throw stated that "the classification belped, even if it could carn key has been developed solely to facilitate the official search and is not intended or adapted tional subject index. for use as a subject index . . .

though it can be of considerable

a subject index. Its duties lu- mental product searches the clude only the provision of first approach enabled the a classification facilitating retrieval of 98.2 per cent of

It also seems quite plansible that it has not given up subject indexing frivolously but was driven to it by the need to make a cut somewhere, in view of the expanding volume of

The situation was complicated by the new Patent Act of 1977 which made the work of requiring them to look for "absolute novelty" instead of novelty only in the light of

more on classifying according absorb a greater part of the personnel budget and leave less lime for the servicing of classifimore money by selling the information provided by an addi-

All this, however, does not dispose of the case of those assistance in such searches," who cloim that industry suffers
This statement was taken by as a result. A recent study some observers as an indication undertaken by Dr. C. Oppenof a reversal of policy; but the heim\*, lecturer in information Patent Office maintains that it selence at the City University, was, merely describing a indicated that product informatevelopment which had been tion can be much better retaking place for many years.

There is no doubt that the Standard Industrial Classification of the British Palents slatutory obligation to provide Classification. In 12 experi-

searches coocerning the novelty the patents that should be read "obviousness" of an inventirieved, compared with only 84.8 tion for which a patent is per cent retrieved by the second.

The fundamental question is whether priority should be given to the examination of patent applications or to technical information for industry. This must also be considered in connection with an overall assessment of the future of the patent system.

Not only are examinations heconing extremely costly, it is also impossible to make a truly exhaustive examination before the granting of a palent. This reality has been recognised in France, which grants patents without examination: Belgium and Italy do not carry out any substantive examination prior to grant and Germany, the Nether-lands and Japan have adopted a system of deferred examina-

The trend seems to be towards a patent system not much different from copyright. So it seems reasonable to ask whether the resources and accumulated expertise of the Patent Office would not be better employed to the dissemination of technical information; after all, this was one of the original objectives of the potent system.

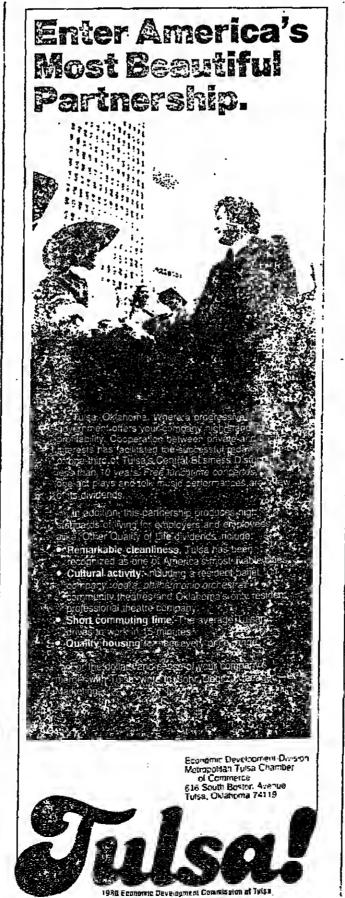
We are faced with the choice between a Palent Office as it is and the Patent Office transformed into a technical library. The future, it seems, belongs to the technical library, but the Patent Office and the friends of the conventional patent system have a stronger hold on the present.

\*In a paper delivered on January 16 at the OGM of the Chartered Institute of Potent Agents.

A. H. Hermann



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# Time to end the

# mergers muddle

BY GEOFFREY OWEN

a government which believes in competition to let it continue for much longer. Ministers must think through the problem. reach a collective conclusion and announce it. Amendments to the detriments of reduced comannounce it, Amendments to the petition were offset by other 1973 Fair Trading Act might be benefits, the maintenance of needed and that will take time. but the announcemen; of the government's intenions will clear the air.

There are two main questions. Does the government want to discourage mergers which reduce competition? Is the government concerned about large cooglomerate mergers?

#### Efficiency

If the answer to the first question is "yes," the government must he more consistent in its decisions about which mergers are referred to the Monopolies Commission. It must also clarify and tighten the criteria which the Commission uses to decide whether or not a is as much a political as an merger is against the public

In principle any merger which significantly reduces competition should be referred only be permitted if the unless the offsetting advantages acquirer can demonstrate clear -such as economies of Scale greater efficiency or the rescue of a failing coopany-are so overwhelming that the Office of Fair Trading feels a reference is not needed. Normally an investigation by the Commission is necessary for a full assessment of the claimed advantages. In practice there have been too many cases where the OFT has recommended a reference but has been overruled by Ministers after strenuous lobbying by the parties concerned.

More serious is the fact that when a merger of this sort is referred the Commission is quite likely to clear it, even though the offsetting advantages are meagre or non-existent. This is because, under the Fair Tradiog Act, the desirability of merger references are totally maintaining competition is only unpredictable, as are the Comfive rather woolly criterla which the Commission bas to take into account. If the marketplace, players and referee government takes competition must know what the rules of seriously. It should accept the the game are,

† Indicates programme in

black and white

BBC 1

6.49-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges, 11.25 You And Me. 11.40 For Schools.

Colleges. 12.45 pm News I.00 Pehble Mill At One. I.45 Play-

hoard. 2.01 For Schools, Colleges. 3.25 Childreo's Ward-

robe. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The Backyard.

4.23 Jackanory, 4.40 Take Hart. All Region 5.00 John Craven's Newsround. as follows:—

MERGERS policy is in a mess, amendment suggested in the It is really not goon chough for 1978 Green Paper, which would require the Commission report first on whether the merger might he expected to prevent, restrict or distort competition significantly." Although it might conclude that the

competition would become the

Commission's primary objective. On the second question the goveroment has a choice. may conclude that most conglonterate mergers do not affect competition, that the increasing concentration of industry in the hands of very large companies is nothing to worry about and that the question of whether a merger might damage efficiency should be decided in the marketplace. On this view, mergers of the GEC/Averys type should not be referred. Only those few conglomerate mergers which seem likely to have impact on competition would justify a reference: the

is the only aspect with which

the Commission would be con-

The alternative view-which economic judgment—is that the disappearance of successful medium-sized companies into giant conglomerates is against the public interest and should advantages resulting from the merger. If that is the govern-ment's conclusion, the instructions to the Commission should be amended accordingly.

#### Referee

What makes no sense is for Ministers to express vague dis-taste for large conglomerate mergers and to refer some of them to the Commission, then to be disappointed when the Commission finds nothing wrong with them. In the few cases where it has ruled against cooglomerate mergers, it has generally relied on predictions about the future management of the combined group-a very hazardous exercise.

As things stand decisions on mission's verdicts. If the government is to act as referee in the

5.10 God's Wonderful Rallway,

South-East only),

5.55 Nationwide (Loodon and

6.50 The Wednesday Film:
"Call of the Wild," starring Charlton Heston.

9.35 Just Normal, Normal,

10.55 Parkinson with guests. 11.55 Weather/Regional News.

Ail Regions as BBC-I except

Heart Transplants (recent

the Conservative

5.40 News.

6.20 Natioowide.

by Party.

developments).

9.10 News.

gardens which I have never isrmac the whole thing or put it down to rough grass, or, more deviously, that you try the new large-flowered form of convolvulus among those frightful dwarf conifers. I want to develop the principle of all the

best small gardens I know.

Their owners are never deterred by a small area. They if you choose a taller and assume that they can double it by using pots and tubs all over as there is a fine use for flowerpots up the surface of a colourwashed wall in a town garden. They can he fixed above ground level with nails and circular holders. I assume that you will avoid red geraniums against that strong sugar-pink.

#### **Impressive**

The pots have to be watered, of course, but, if you matched low-growing irises against a pale green background with Campanulas and geranium Buxtons Blue for later in the scason, it could all look more impressive than yet another cream-flowered boneysuckle.

Down on the ground, the ost conspicuous pot-plants are those which grow up a frame of wire or a tripod of bamboo

gardens which I have never pect, if only hecause you will cold as mine. They must spend of the half-hardy Jasmine applied in my own. No. I am probably go to a botter country not about to suggest that you for a summer holiday and will are not hardy and lose their treated in the same way, and for a summer holiday and will sec it in broad sheets of flower. point if you have to start them after which your own 10 flowers who bave to garden in Europe. as it needs a hot summer to be leaves are rounded and as soft oud at its best. Well-grown nasture as felt. The stems are quite. It multiplies like ground tiums are better value in Britain, strong and grow out at attrace elder from cuttings in the

longer form. The best pot-plants outdoors the surface. I mean all over it, are those which can be trained to a beight, say, of three feet on a circular pattern of hoops of plain wire. You will need as wide a pot as possible. 12 inches in diameter at least. You must be prepared to water these big plants throughout the growing season, but, if you aim at a feature of some size, you can be sure that no wind or visitor will knock it over, and that nohody will be left to apologise for a dog which was supposed to have sat in the car.

There are many possibilities, but I would like to dwell on three, which I have watched at their hest in other gardens. Two of them I like very much. The third is such a popular choice and so widely sold in so many varieties that I must put on record my experiences with it in plans for several small Lon-

THIS WEEK, I want to follow canes. I will not recommend The first choices presume that trained this way would dominate for shape and next year's crop. perhaps of the crimped by the hrilliant blue-flowered you have a conservatory cold any terrace.

If all goes well, you will have called orising beside it. This green which I have never the in any old Person crimped variety is more would similar pots the lewel in any old Person.

grows even faster to a proper height. Now is a good moment from scratch each year, so that on a struggling plant will not they never grow thick and tall. to buy a young plant of it from seem much of an achievement. You probably know a grey a nurseryman, not from a lt is a compensation of readers leaved bedding-plant called florist, who will charge you the Helichrysum petinlatum. Its earth for the slightest hint of a

A plethora of pot-plants

#### **GARDENS TODAY**

BY ROBIN LANE FOX

tive angles. There is a yellowleaved form which is less desirable and which was set beside some pink heliotrope last unpredictability. Some plants year in that rock bottom home of bad public bedding schemes. Kew Gardens.

Stay with the grey-leaved

variety and train il upwards over a semi-circle of plain wire. which is hent into hoops. This should be surrounded with full circles at intervals on the way up, so that you can tie a framework of stems on to it. The

growing season, and would be the perfect plant for scent and freedom of flower but for one will grow freely after their second year, while refusing to flower ever again. Hard pruning does not correct this. You are left to live with a sprawling mound of dark green leaves, which you can cut, starve or heat without the reward of those powerfully-scented clusters of rolled pink huds and white flowers. I suppose there are easy and stubborn forms on the

garden, a trained mound of the white jasmine, which outdoes all others in its sweeping

popular ivy which sells yearly by the thousand and has been improved into so many new forms. It is a plant for shade and cold gardons, especially in towns. Be sure, however, that you know the forms which you like best.

I am not quite convinced by the ivy as a garden plant. It a splash in the middle of the has to be grown in one of lis fancy forms and these can be too much of a show for most gardens. Either they are too hright like the golden-yellow buttercup, or else they are somehow too evergreen and urban, like the familiar Hedra As pot-plants. I think they are in their element, artificial but rightly so and very vigorous in

crimped variety is more upright and not so smenable to

white jasmine, which outdoes all others in its sweeping strength of scent. Grey Hedera coleman is the foral Helichrysum is a subtle match for it at a similar height of three feet, when hard-pruned.

Buth these fine and unusual pot-plants are happiest in full sun. They sit well in a front garden beside doors and windows. In winter, each must return in a sheltered house. Not so my last suggestion, the nopplar ivy which sells vessely sever in the sunfigit.

#### Foreground

ever, in the sunlight.

For a yellow in shade, I would out for the smalle Gold Heart still wrongly sold as Jubilee. The yellow here is confined to small pointed leaves. It is a shad plant by the usual stan dards of a garden by but i will take hold on beops of wire covered in wise meeting. It covered in wise notting should be moved into a near ivies. a potted answer to a shaded city garden.

They come in all heights and gradatinns and can be combined in the foreground of any small courtvard. The more you have result is an unusual mound of market, and you must hope to all shapes and sizes. The the prettier: this principle does grey leaves, whose stray be lucky in your chosen plant, marbled ivy, called marmorain, not save labour, but it brings branches grow nutwards in a pretty style. Two large pots ruthlessly after flowering, both smaller pot with plants, other climbing plants in pots.

# Historic chance for Hilly Way

IRELAND'S Hilly Way will make history at Cheltenham this afterooon if he proves capable of landing his third successive Two Mile Champion

Fortria, Drinny's Double, and Skymass all won in consecutive years, and Royal Relief scored in 1972 and 1974, but no horse has yet achieved three wins or a bat-trick.

If, as seems likely, the ground proves testing, Hilly Way's

#### RACING BY DOMINIC WIGAN

chance must be a formidable

In last year's race for this event—now renamed the Queen Elizabeth the Queen Mother Champloo Chase—Hilly Way was close to the leaders when

Weather for Scotland.

Nurthern Irel

the favourite, and at the line the Saxon House representative, who found little on the final

Although it chuld he argued that Dramatist was a novice last year and will be a more experienced opponent this afternoon. I cannot say that I thought Fulke Walwyn's charge showed much enthusiasm when It came to a tussle with Daletta at Haydock last time out.

Should Dramatist and Hilly Way be close from the penultimate fence, I believe Hilly Way's undoubted courage will again see him home. Of the remainder the best is prohably Young Arthur, the winner of the Grand Annual Chase two seasons ago and the third of four finishers in last year's field of 17 for the Two Mile Champion Chase.

Artifice slipped on landing at the penultimate fence. From there on Hilly Way always looked likely to beat Dramatist. The Joe Coral Golden Hurdle final invariably produces a large field, and has proved less than profitable for punters. Willie The Joe Coral Golden Hurdle profitable for punters. Willie Wumpkins came home at 25-1 bad six lengths to spare over last year, and is in the field agsin today, at considerably shorter odds.

> A better win and place pros pect this time could be Two Coppers, from Les Kennard's in-form Taunton stable.

Two other possible winners. on a card which will see few hackers getting the better of the bookmakers, are Lenygon in the Sun Alliance Novices Hurdle, and Little Owl whn goes for the Sun Alliance

#### CHELTENHAM

2.15-Lenygon\*2 2.50-Hilly Way 3.30-Two Coppers" 4.05-Little Owl

4.40—Immigrate

5.15-Crown Matrimonlal Right. S.15 Crossroads. 6.00 Granada Reports, 5.30 Happy Oeys. 11.45 Polica Surgeon. 12.10 am Inside Suemess. HTV

6.25 Helpl
6.35 Crossroads.
7.00 This is Your Life.
7.30 Coronation Street.
8.00 Bernard Manning.
9.00 ITV Playbouse.
19.00 Party Political Broadcast by the Conservative Party.
10.10 News.
10.40 Midweek Sports Special

SCOTTISH 7.20 pm News and road and weather.
1.30 The Roll Harris Show, 2.45 The New Avengers, 4.45 Whim Light, 5.15 Alsateir McDensid, 5.20 Crossroads, 6.00 Scodand Today, 6.30 Emmerdels Farm, 10.45 Lete Call.

SOUTHERN 1.20 pm Southern News. 2.45 Houseparty. 3.15 Monsy-Go-Round. 4.45 White Light. 5.15 Olck Tracy Cartoon. 5.20 Crossroads. 5.00 Rey by Osy. 6.35 Scene Midweek (South East stea only). 11.45 Southern News Extra. 11.50 George Hemilton IV.

11.50 George Hemilton IV.

TYNE TEES

9.20 em The Good Word tollowed by North East News Meadlines. 1.20 pm North East News Meadlines. 1.20 pm North East News end Whore The Jobs Are. 2.45 The Electric Theory Show. 3.15 Money Go. Round. 4.45 White Light. 5.16 Bailey's aird. 5.00 North East News Headlines. 6.02 Crossroads. 5.25 Northarn Life. 11.45 North East Naws Headlines. 11.47 Power without Glory. 12.40 pm Epilopus. UI STER

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Gustav III (SI. 9.45 Music for Organ ISI. 10.35 London Studio Strings (S). 11.10 Pieno Reckal (S). 11.55 Wagnar and Sibellus concert (S). 1.00 pm News. 1.05 Concert Hall (SI. 2.00 Music Weekly (S). 2.50 Fility Years of British Music (SI. 3.40 Goethe Settings ISI. 4.20 Aspects of the Blues. 4.55 News. 5.00 Mainly for Plassure (S) (\$ and mone only frem 6.20). 7.00 Music New. 7.45 Music for Clayinhord (S). 5.00 Rozhdestvensky and the 88C SO concert, pert 1: Tippait (S). 8.20 Six Conlinents. 8.50 Rozhdestvensky and the 88C SO, pert 2: Holat (SI. 70.00 Radio 3 Short Story Competition. 70.20 Flogy (S). 10.40 Mozert Chember music concert ISI. 11.55-12.00 News. VHF only—8.00-7.00 em and 6.20-7.00 pm lipen University.

RADIO 4

6.00 am News Sriefing. 8.10 Farming Today. 5.25 Shipping torsesset. 8.30 Today. including 6.45 Preyer for the Oay. 7.00. 8.00 Today's News. 7.30. 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-week with Elaine Srinich. 10.00 News. 10.06 Gardeners' Question Time. 10.30 Osily Service. 7.30 Gardeners' Question Time. 10.30 Osily Service. 7.30 Gardeners' Scott [S]. 7.00 London Today [S]. 7.04 Story Time. 11.00 News. 12.02 pm You and Yours. 12.27 Double Act. 10.35 Weather; pregramme news. 1.00 Mystr's. Late Show (S). 2.00 am The World at One. 1.40 The Archers.

5.00 am As Radio Z. 8.30 Rush Hour. 10.03 The Robbis Vincent Telephone Programme. 1.03 pm London Livs. 3.03 Ideal Home Showcase. 4.30 London News Oosk. 5.35 Look, Stop. Listen. 7.03 Slack Londoners. 8.00 Question 9.00-5.00 am Join Redis 2.

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Tues 10 Sat 7.30.

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1.15. 4.30, 7.55.
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CUCON NAYNARKET (930 2738-2711,
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LONG (XX. San. PRIS. Was. 1.48
5.05 5.10 RUDE BOY (R), Boy Once Now Cook.

STUDIO 2, 3 a 4. Oxlord Cirral, 237
3300, Lic'd Bar
2: "10" (X) Prous. 17,30, 2.45, 5.25
8.05, Late Show Sar 11,00, 2.45, 5.25
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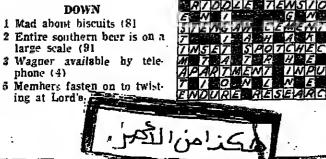
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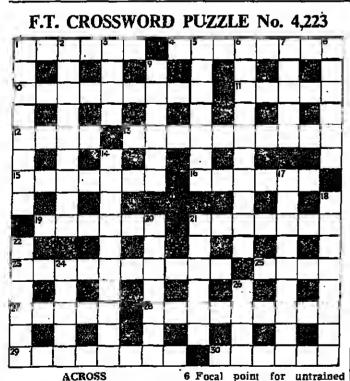
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ACROSS Fravellers (3, 7) 1 Playwright officer protected child 161

4 Store for golfers in which 8 Could youth leader be members meet (4, 41 powerful? (6) 10 Article jumping in good 9 Form of wark out (61 supply (9) 11 Cast supporting injured 14 Number father 8t bome with assassin (4, 6) 12 Penctratiog to king even (4) 17 Creature

13 Invalid not treated inwardly

15 A weaker mixture to animate

16 See beavyweight return bard

19 Inclined to circle shed (4-2)

21 Paid performer to sil for

23 Beast follows nothing up in

27 To pamper a student is

DOWN

vehicle

painting design (7)

part of meal (6, 4)

partly a bloomer (5)

25 Endured drill (4)

first-class

overcoat 161

large scale (91

catalogue (9)

13, 7)

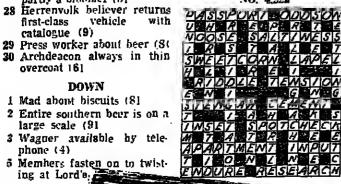
once more (7)

water 161

18 Salesman joios consumer of parrot (81 20 Watch old boy takes to Minister (7) 21 Blow round a corporation

22 Milk supplier for each English poel (6) 24 Add to ram (3, 2)

26 Official staff came by arrangement 14) SOLUTION TO PUZZLE NO. 4,222



6 Focal point for untrained Ought grape supplier to be like sheep? (5)

keeps children in lice (9)

9.30 am Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 pm Rainhow. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Take the High Road. 2.00 After Noon Plus. 2.45 The Outsiders. Take the Higo Road. 2.00 After
Noon Plus. 2.45 The Outsiders.
3.45 Hohson's Choice. 4.15 The 120 pm Grenade Roports. 2.00 Live from Two. 2.50 Money Go-Round.
3.20 The Wild, Wild World of Animals.
Sooty Show. 4.45 The Life and 4.45 White Light. 5.10 This is Your

1053kHz/285m

(S) Stereophonic broadcast

\*\*Medium wave

5.00 am As Rudio 2. 5.00 Gave Lec
Travis. 9.00 Simon Satec. 11.31 Paur
Burnstt. 2.00 pm Andy Peebles. 4.37
Kid Jansen. 7.00 Radio 1 Meilbag.
8,00 Miks Read. 9.50 Nawabeet. 10.00
John Peal [S]. 12.00-5.00 am As Redio 2.

RADIO 1

LONDON

BBC 2 6.40-7.55 am Open University. 10.20 Gharbar. 11.00 Play School. 2.60 pm Racing from Chelten-ham. 4.50 Open University.

England-5.55-6.20 pm Look

East (Norwich]: Look North (Leeds, Manchester, Newcastlel:

Midlands Today (Birmingham); Points West (Bristol); South

Today (Southampton); Spotlight South-West (Plymouth).

5.40 Flash Gordon 6.00 The Paul Daniels Magic Show. 6.30 The Master Game, 7.00 Racing: Cheltenham Festi-

val (highlights). 7.10 Mid-evening News. 7.20 Mr. Smith's Rock Garden. 7.45 In Search of Arthur.

8.25 Arena. 9.00 Therese Raquin. 9.55 The King's Singers. 10.45 A Perty Political Broad-cast (as BBC-1 9.00 pm). 10.55 Newsnight.

11.40 Open Door.

5.55-6.30 Wales Today. 6.50 Tom and Jerry. 7.00 Heddlw. 7.30 A Question of Sport. 8.60-8.30 My Wife Next Door. 11.55 News and Weather for Wales.

Scotland-12.40-12.45 pm The 3.30 Potter.

9.00 Party Political Broadcast
Scottlsb News. 5.55-6.20 Reporting Scotland. 11.55 News and Northern Ireland News. 5,55-620 Scene Around Six. 11.55 News and Weather for Northern

Brooks. 12.15 am Close: Personal choice with Anna Ford.
All IBA Regions as London

ATV 10.30 am Something Offerent ("I Could Kill Thei Kid"). 11.04 Sehools Programmes [continued]. 12.30 pm The Electric Theatre Show looks at Glande Jeckson's aareer. 1.20 ATV The Electric Theatre Show looks at Glende Jeckson's agreer. 1.20 ATV Newsdeek. 2.45 The Love Scal. 4.45 White Light. 5.15 Selwyn. 5.00 ATV Today including Palice Five. 11.45 ATV Newsdeek. 11.50 Serney Miller.

BORDER
1.20 pm Sorder News. 2.45 Houseparty. 3.15 Money-Go-Round. 4.45
White Light. 5.26 Happy Days. 6.00
Lookeround Wednesdey 11.45 Police
Surgeon. 12.15 em Sorder News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, Whet's On Where and weather. 2.45 The Electric Theories Show. 3.15 Money-Go-Round. 4.45 White Light. 5.15 Mekin. 5.00 Report at Six. 10.38 Channel Lato News. 12.10 am Epilogue Inflowed by news and weather in French. CHANNEL

GRANADA

Wales — 11.02-11.22 am I Times of Grizzly Adams. Ys20110n, 5.10-5.40 pm Blildowear. 5.45 News. 5.45 News. 6.00 Thames News.

10.40 Midweek Sports Special 11.45 Superstar Profile: Mel

except at the following times:-ANGLIA

1.26 pm Anglia News. 2.45 Houseperty. 3.15 Money-Go-Round. 4.45
Waite Light. S.15 Berney Miller. 6.00
About Anglia. 12.10 am Winners and

GRAMPIAN
9,25 sm First Thing. 1.20 pm North
News Headlines. 2.45 Houseperty. 3.15
Monay-Go-Round. 4.45 Whits Light.
5,15 Survival. 5.00 North Tonight.
10,45 Reflections. 12,15 Living and
Growing. 12,45 North Headlines.

DUKE OF YORK'S. CC. 836 5127. GLENDA JACKSOH ROSE. A new play by Androw Oavlay. Evos. B.OO. Mola. Wed. 3.00. Sab. 5.00. ULSTER
1.20 pm Lunchisms. 2.45 Monay-Go-Round. 3.15 Selwyn. 4,13 Ulster News, Headlines. 5.15 Cartoon Time. 5.20 Crosarpeds. 6.00 Good Evoning Ulster. 10.39 Unser wasther. 11.45 Serney Miller. GARRICK, CC. 01-036 4501. Eves. 8.00 isharp). Fri. and Sat. 5.30 and 8.30. Gareth Hunt in DEATHTRAP. GLOBE THEATRE S. CC. 01-437 159Z.
GROUD Sales 370 5051, Ergs. 5.00. Mai.
Wa6. 3.00. Sat. 5.00 and 6.15, 6arry
Reis. Barry Fostar Peter Bowles. Jan
Waters in a new glay by Peter Nichols
BORN IN THE OARDENS. Directes by
Clifford Williams. WESTWARD WESTWARD

11.35 am Occumentary Re-run (The Dato That Oied). 1.30 pm Westward News Heedlinss. 2.45 The Electric Theatre Show. 3.15 Mongy-Go-Round. 4.45 White Light. S.12 Gus Honeybun's Sirthdays. 5.15 Makin' it. 5.00 Westward Diery. 11.45 George Hemilton IV. 12.10 em Feith for Life. 12.15 West Country weather and shipping lorsessi. YORKSHIRE

10.35 am The Adventure World of 10.35 em The Adventure World of Sir Edmund Hiery. 11.04 For School. (communed). 1.20 pm Calendar News. 2.45 Three Little Worlds. 3.15 Money-Go-Round. 4.45 White Light. 5.15 Selley's Sird. -6.00 Calendar [Emity Moor and Selmont aditions]. 11.45 Have Girls Will Travel.

1.55 Shipping followst. 2.00 News, 2.02 Woman's Hou. 3.00 News, 3.02 Listan with Mother. 3.15 Alternoon Theatre (S) 4.00 Choral Evensong (S).

MAY FAIR. 5. CC 01-520 3036. Mon-th B.O. Fri. 52t. 5.0, 6.45 SUSANNAH VDAK. DANIEL MASSEY. DONALO PICKERING FRANCIS WHITE IO APPEARANCES by Simon Benhuss. efter APPEARANCES by Simon Bennuss, effortency Jemes.

MATIONAL THEATRE St CC 928 22S2.

OLIVIER ropen stages: Fr. Sat 7.30 flow orice provs! OTHELLO by Shakespears.

LYTTELTON (proscenium stage): Today 3.00 flow price mad from tome 7.45.

WHEN WE ARE MARRIED by J. B.

Priestly. Hotte: Last 2 perfa Thee & Ma Fri & Sat 7.45—Sat Msi cancelled and extra perf When We Are Married authalianted for Thee & Me Mon 17 Merch 7.453. min food-breakt. See 1 10 10 20 Excellent cheen seats from 10 am day of seri all 3 thestres. Car park. Restauront 028 2033. Credit card bookings 028 3052. 3052.
OLD VIC. 925 7515. Nimred Thesare of Australia areduction THE CLUB by Davis Williamson. Riotous micker-take of list in Brian Coughtsus Down Under. 111. News. March 4-April 12. Evgs., 7.30. Sal. Mat. 2.30.

RADIO 2
5.00 am Newo Summery. 6.03 Ray Moore (S). 7.32 Torry Wogen [S] including 8.27 Racing Sulletin and 8.45 Pauss for Thought. 10.03 Jimmy Voung (S]. 12.03 pm Oavid Hamilton (S). 2.03 Stave Jones Request Show (S) including Racing from Chelienham. 4.10 Much More Music (S). 5.00 News. 5.05 Wogoners' Walk. 5.20 Much More Music (S]. 5.00 News. Music (S]. 5.03 Oerek Hobson (S]. 8.02 Listen to the Send (S]. 8.45 Alan Bell with The Oonce Band Days. 8.15 Tho Megic of the Musice's [S]. 9.55 Soorts Desk. 10.02 The News Hoddlines with Roy Hudd. 10.30 Eddlo Waring says Be My Guest. 11.02 Brien Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music [S]. RADIO 3 RADIO 4 RADIO 3 19.55 am Woather. 7.00 Nows. 7.05 Your Midwask Chorce, pert 1 (S). 8.00 Nows. 8.05 Your Midwask Choire, part 2 (S). 8.00 Nows. 8.05 This Wask'o Composets: At The Court of

Theatre (S). 4.00 Choral Evensong (S).
4.45 Short Story, S.00 FM: news magezine: 6.50 Shipping loreaset. 5.55
Westher; programme news. 5.00 Naws.
6.30 My Mosic (S). 7.00 Naws. 7.05
The Archers. 7.20 Chackpoint. 7.45
The Profession of Intelligence (Evolution of the British Secret Service);
8.45 File on 4 investigates the Iruth
about "Seroungors." 9.30 Keleidescope. 9.59 Wealhet. 10.00 The World
Tonight. 10.30 The Life and Times of
the Orchestra (S). 11.00 A Scok at Sectime, 11.15 The Firancial World
Tonight. 11.30 Today in Parliamens.
12.00 Naws. 12.00 Naws. BBC Radio London

London Broadcasting

8.00 am AM with Sob Holiness and
Douglas Comaron. 10.00 The Srien
Heyes Show. 12.00 LBC Reports. 8.00
pm Jezz After Eight — Rath Howelf
tive from the Ideal Home Exhibition.

9.00 Nightling. 12.00 LBC Reports Midnight. 1.00 am Carel Alten—Night
Extle, 5.00 Morning Music.

Canidal Radio

#### THE ARTS

Television

<sup>ម</sup>រល់ប្បាត់

# London Pride by CHRIS DUNKLEY

Very rarely does this column items in a larger hody of work Thanks to the way Michael Suetonius's line of retreat," he urge the watching of particular which will by then he seen to Wood has written and presented explained in Boadiceo. "This programmes, but two series have the same coherence and them and the way Derek Towers Iron age trackway runs into the programmes, but two series have the same coherence and have started in the last two days discreteness as tha Liverpool which are so good that it would Sound and the Ealing Comedies. be a pity for anybody to miss At its centre will be a collection them. If at the year's end they of programmes, mostly from do not both walk off with hand. Thames or Euston Films, mostly fuls of TV awards I will eat this from departments headed by page. (A wager made twice Verity Lambert. They will before and still I don't know include Budgie, Bill Brond, The what pink newsprint tastes

The first series is Fox, a 13. even The Noked Civil Servant. in Offa. part anthem to London and Londoners, written by Trevor Preston, directed by Jim Preston, directed by Jim Goddard, and photographed by Ernest Vincze for Thames TV's subsidiary Euston Films. Fox is the name of Preston's fictional south London family headed by ex-Covent Garden porter Billy, played hy Peter Vaughan, an actor who looks so natural in the role that it is hard to believe

he is acting.

His wife Connie is played by Elizabeth Spriggs and they have five sons: Kenny the boxer. Joey the cab driver, Ray who runs a club, Vinny who hires scaffolding, and an ageing student named Phil who is sald to be writing a book about them all. The ensemble acting is quite extraordinary. Though Preston wrote the best of the Sweeney scripts, and though criminals feature fairly large in the life of the Foxes, this is not another crime series. It is the story of e modern, urban extended family.

And if that makes it sound remarkably like lots of previous television series—The Brothers. for instance - two forces project it way above the normal level: its affection and its pedi-gree. Television inherited from the old British film industry two ways of filming British cities: handsome-bistoric and concretecontemporary, and they are equally phoney as Fox makes you realise by showing London the way she appears to the eyes of her lovers.

Tower blocks and underpasses are here as are pretty mews and majestic hridges, but it is the Peabody Buildings, the little old caffs, and the London Board schools which exude the very scent of the city. As mini-godfather Billy strides his manor and Joey drives his can you can practically smell the warm dusty alr rising from the tube stations, and the sharp odour of new disinfectant and old heer surrounding the redhrick Victorian pubs which clamber ornately up Vlncze's grey skies. Preston's acute ear for vigorous contemporary London supplies equally anthentic

I helieve that when we look

The programme will begin

with Dvorok Variations led by

Elisabetta Terabust and Patrice

Bart. There follow divertisse-

ments which feature Natalya

Makarova and Anthony Dowell in Robbins' Other Dances; Zizi

Sweeney, Minder, Hazell, probably Rock Follies and perhaps

has directed they might best he described as archaeological thrillers. They are enormously enjoyable and informative in their own right hut they are almost as welcome simply for



The Fox family

of it is modern, all of it is urban was actually the first of these (mostly London) and it all programmes made he was actually the first of these presents gutsy material. (mostly London) and it who was welcomed here lost presents gutsy material in a who was welcomed here lost laid-hack style. Often under the year as a refreshingly youthful successor to such presenters as successor to such presenters as successor to such presenters as crystal glitter of the surface there is a slightly softer centre -but never mush.

Having watched the first three episodes of Fox I am more

Impatient to see the rest than I have ever heen for any series in 10 years of paid viewing.

The other compelling series is a group of four BBC 2 programmes which started last uight with In Search Of Boadicea, continues with In Search Of Arthur tonight and In Search Of Offin tomorrow. identify Fox as one of the best Search Of Alfred The Great.

London Festival Ballet London Festival Ballet will and Valentina Koslov—who quit be joined by a constellation of the Bolshoy Ballet on its guests for a gala performance American tour last September on Sunday evening, March 16, making their London debut in in aid of the Jaqueline Du Pre the Don Quirote pas de deux; Fund for Multiple Sclerosis Peter Schaufuss and Lesley Collier In MacMillan's Sideshow: Manola Asensio and Michael Denard (étoile of the Paris Opéra) in part of Giselle Act 2. The programme will end with Etudes, with Eva Evdokimova, Jay Jolley and Peter Schaufoss.

Tickets are available from the

#### Doulton backs Mozart prize

The 1980 Mozart Memorial The funds raised went instead Prize has been boosted to towards a cash prize for the best £1,000, and a Festival Hall singer or musician performing concert, thanks to the generosity of Royal Doulton which rescued of Royal Doulton which rescued the competition in 1978 and is have been Sheila Armstrong and retaining its commitment to this Imogen Cooper. Applications blannual event. The prize came are invited to the London about in 1962 following the Mozart Players, who will accomfallure of the Haydn/Mozart pany the eventual winner at the Society to raise enough money Festival Hall. There are also for a memorial fountain for runner up awards of £500 and Mozart within a few yards of £250, and the finals will take the Ebury Street house where he wrote his first symphonies.

a work by the composer.

The first winner was Stepheo

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Sir Mortimer Wheeler and Pro-fessors Alec Clifton Taylor and W. G. Hoskins. The welcome is repeated: Wood has that knack Impatient to see the rest than of communicating his own in-I have ever heen for any series tense enthusiasm so winningly that one feels he would be quite spellhinding expressing pl to 500 decimal places. However, he will have to heware appearing too often in his pro-granimes when he should he Search Of Arthur tonight and commenting unseen over film, in Search Of Offin tomorrow, and be should work now on his over-expansive gestures which get dangerously close to the arbitrariness of Edward Heath's.

That said, the rest is praise. Considering the obscurity of the chosen period, between the occupation and the conquest, the pro-Roman Norman grammes achieve a wonderful vividness. Partly this is owing to good choice of locations and cleverly directed use of the camera, particularly in heli-copter shots. Partly it is because of modern archaeological methods. But mainly it is thacks to Wood's scripts. Whether striding the English wold (in jeans and sheepskin jacket! or penetrating a university library in pursuit of an Jeanmaire and Denys Ganio in box office of the London Anglo-Saxon manuscript (in his a pas de deux from Roland Coliseum, prices £5, £8, £10, £20.

Petit's La Chauve Souris; Leonid £30 and £40. quite familiar as the series pro-ceeds) his words are always apt.

> the romance and the power of and the item did appear only no language which is pitifully rare the BBC2 Late News, not on the on television. "Drive up the main BBC 1 News. Still-it is Aā and you're travelling along a wedge worth bammering.

heart of Wessex," he says in tonight's Arthur where he describes "a sort of dark age Spagnetti Junction." At the start of Offin he remarks: "We of the here and now always tend heing so deliherately different to underestimate the complexity from tha "shirtsleeves in and richness of ancient Luxor" type of archaeology societies." These programmes programme which is mentioned by Wood and Towers (a partnership which even sounds like an iron age fort) do help rectify that error and I urge you to watch them.

> Sunday night's BBC2 schednle might be interpreted as avidence of a sudden liberalising the channel's programme policies. It seems to be much more likely, however, that channel controller Brian channel controller Brian Wenham decided that if one is to be hanged it might as well be for two sheep as a lamb. So with C. F. Newman's quartet of brilliantly realistic plays Law And Order finally starting its much deserved but long refused repeat at 10.25 Mr. Wenham filled the preceding two hours with Philip Donnellan's Gone

For A Soldier.

Law And Order tells a graphic, convincing, and eogrossing story of a crimical underworld in which policemen and lawyers use tactics scarcely any different from those of the crooks. Its first showing enraged latterday Blimps whose opposition to a repeat would no doubt have prevailed but for the real-life emharrassment of Operation Countryman.

Blimp reaction to Gone For Soldier is impossible to imagine since this scrapbook of squaddy's mementoes was even more iconoclastic, even more of deliherate counterhlast to television's cormal outpouring of traditional middle class attiudes and values. Instead of honour and glory, Mr. Donnel-lan brought us blood and brutality; in place of the bugle and the drum, he gave us the cupped-ear drone of the unaccompanied folk singer. It was indulgently loog and confusingly hitty hut as a befty makeweight in a token evening of anti-authoritarianism It could

hardly have been bettered. For Friday Night . . . Soturday Morning Brian Wenham and producer Frances Whitaker deserve praise for at least having a go at new ideas. Jane Walmsley. a lady with a North American accent, made a hash of interviewing the editor of Now! last week, but that did not put her off her stride which was a pretty vigorous one, and for mc, anyway, bers is an entirely fresh figure in the tired and tawdry world of chat shows. In the previous week's edition the pleasant if unexciting Tim Rice brought us concert plaoist John Lill and rock keyboard wizard Rick Wakeman jamming "Somebody Stole My Girl" on twin grand

wondrous and hizarre as to make it well worth while staving with the procediogs until 12.50 am. Having so recenly repeated my regular condemnation of television oews for its philistine obsession with inflation. wars and strikes and its shame ful disregard for the arts, it is ooly right to record that the BBC News on March 7 included as its final item a report on the Royal Academy's Ruskio Spear exhibition. 1 bave some suspicion about wby Spear (painter of the notorious un-official portrait of Princess Annel was chosen rather than Better yet he has a feel for a dozen other notable exhibitors.

**Theatre Upstairs** 

# Young Writers

by ANTONY THORNCROFT

The Seventh Young Writers treatment? The writing is quite Festival is occupying the without sentimentality and the Theatre Upstairs at the Royal theatrical device of having the Court for the rest of this month. girl as two actresses, one as The idea, much favoured by the the resentful daughter, the management at the Court, is to other as a grown woman, also encourage play writing by the confined to a wheelchair and under eighteens, and a hundred facing the same illoess, works and ninety plays of every style, smoothly. The ending takes length and subject were sub- some liberties with the current mitted, of which four are being legal system, but the unpretenproduced.

The three in the first programme are The Morning Show, a very short item by a 15-yearold, Daniel Goldherg; The Personal Effects by Lucy Anderson Jones a 16-year-old from Leicester, and, running up to an hour in length, The Arbor by Andrea Dunbar of Bradford, now 18, hut the play was writ-ten three years ago. All present a particularly gloomy and tin-optimistic view of life, but that is perhaps how the world has always seemed to teenagers, at least those with literary amblitions. However, hehind the depression, there is quite an appreciable jolt in seeing the Once again, no attempt is made teenage angst through the eyes of the combatants rather than through the memories of an established playwright ten years

These are slices off the slab of tenange life. plain and pitiful.

and uncompromising. The Personal Effects is a very girl in hoth. Fortunately there sombre drama. Should teenage is no need for them to patronise. girl sacrifice ber "A" levels hy helping to ourse dying molher at home rather than abandon Jones will repeat this success. her to hospital where she can but they have done enough

tious production by Nicholas Wright creates greater credibility than many more glossy approaches. It's Whose life is it onyway? without the laughs, which is how it should be.

After this The Arbor was quite a relief, even though it does contain a miscarriage and plenty of verhal and some physical violence. Here are random scenes from the random life of a fifteen-year-old working out of a pregnancy. The irra-tional behaviour, the fluctuating Once again, no attempt is made to glamorise or to preach. These are slices off the slab of on, the usual procedeure. At the professional actors throw first hand it is even more stark total commitment, with Kathryn Pogson affecting as the pitiable

It is impossible to predict whether Ms Dunbar and Ms receive better but less loving already to be proud of.



Lena Granhagen

City Theatre, Stockholm

#### A Doll's House

the theatrical season in Stock-Akke Nordwall) of all in so many contemporary ballets holm is Jan Hākansson's often extraneous naturalistic furniture—the piece is all danning, of controversial but extremely and decoration. Unlike Mago's the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most witty and graceful summer, is one of his control in the most with an order of pictures. century-old drama of woosen's one is all green plush and velocity of the City Theatre. This is the attempted rape, much surfactures the vivacious Lena prisingly new business, that the Granhagen as the new woman of director justifies by reference to their artfully co-ordinated 19th-century Scandinavia, who the sub-text, and to the earlier. first slammed the door on her uncut, and no doubt much family home at the Theatre harder-hitting, version, it helps Royal in Copenhagen in 10 bring out bolh the socio-December 1879 and helped to critical and psychological points set off a feminist and theatrical of lbsrn's drome a these. revolt, which sent a shock-wave around the world that can still be felt today.

Mr. Hakansson's adaptation, so

The undoubted highlight of the stage Idesigned and lit by

In a line absent from the usual text, Nora confides that she has more faces than one to Mr. Hākansson's adaptation, so called because it uses portions of it touchingly taken by Agneta itsen's earlier text of spring Ekhammar, who has replaced large, is of unusual interest. It the stricken Jane Friedman. In briogs to mind Ingman overwhelmingly affecting Bergman's even more highly portrayal of Nora, at once vulture and unciedding. Miss her friend Mrs. Linde, now

**New York Dance** 

# Merce Cunningham

by DAVID VAUGHAN

Event" performances inin progress, which was given in its emirety for the first time during his recent season at the New York City Center. The which had its premiere in Period Kovich in Fractions.

balletic double work. But the women are never tossed around in the kind of bruial acrobatics their artfully co-ordinated palette of colours. Cunningham himself appears as the solicitous partner of Catherine Kerr; the others are Susan Emery and Rola Remley, Armitage and Alan Good, Meg Eginton and Chris Komar, Lisc Friedman and Joseph Lennon, Louise Burns and Kovlch.

Duets is the third hig work that Cunningham has made since his last New York season

At last year's Edioburgh simple, elegant costic (28) Also Festival, Merce Cunningham's shown was a characteristic Festival, Merce Cunningham's Rounia I, that believely cluded three duets from a work depicts the actual filming with the dancers seurgene and mastiing out of the companie way.

piece is in fact called Dacts. last October, is an autonomical and its form is simplicity itself: work of great beauty that never six duets danced by six herrays its emerged ordinadifferent couples; during each One obvious difference is that one there is a brief interrup- in the film the viewpoint is that tion by one of the other of the camera, as estimate couples, and finally a code in mobile as that of May Ophillwhich all 12 dancers return as it moves around the surdin to the stage and reprise their sometimes in a 2000-degree various movement motifs, sweep, finding denices in a pairror. a master of the duet—one thinks or on a small platter, a color of the many serenely heautiful and of the room, in the thinks dances he made for himself and the speciator is free to make his Carolyn Brown, the more own choice of what to water, disturbing, almost violent ones sometimes from among sir niwith Viola Farher, and, more taneous events. In some pass recently, the Chinese puzzle of sages the dancers assume a interlucking arms and increase series of angular, standard for Karole Armitage and Robert pases; others, protocolorly out the strong majo dancers of Cur-These latest dances explore call for spectromiar electricia adagiu and allegro partnering and a mercurrid garity of husb and a series of brilliant inventions, with here and there a sly reference to the mechanics of was behind the current during the making of the film.

The third new Gance, Rootthat disfigures the pas de deux runners commissioned by the in so many contemporary ballets. American Dance Postwal in socks, and snearers while trying to kep out of the way of Line Fox as she dances around the stage: once dressed, he supports her in a side extension, folds her leg into paint, then as streexits briefly adopts a pose from Nijinsky's L'Après-midi d'an

> With one change-Neil Greenberg has replaced Jim Selfthis is the company that Cunningham has had since the summer of 1978 (Romar and Kovich have been with him sings



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## FINANCIALTIMES

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Wednesday March 12 1980

# Credit: signs of a turn

THE BANKING figures published yesterday, together with main. The most recent retail other recent economic statistics. sales figures have been flat, but are heginning to add up to a oot depressed, and February suggestive but not yet con car sales were unexpectedly clusive picture of an economy high. This simply reflects the responding to monetary pressures. This degree of caution has so far depressed corporate may seem absurd against a background of falling profits and competitive forecasts of disaster. However, experience has shown that an economy well adjusted to high inflation can be astonishingly resistant to pres-

#### Distortions

Caulinn is doubly wise in any attempt to interpret the banking figures themselves, because the underlying facts are harely visible through the fog of distortions, quite largely produced by official policies. The figures show a collapse in bank leoding; but since the figures cover only the clearing banks, this is certainly due in part to a larce shift in husiness to the nonclearing banks, induced by the corset restrictions on individual

A further distortion arises from the statistical treatment of certificates of the deposit. Sales of CTD's have in the past been treated as official funding, so that when they are sucrendered in payment of tax, a proportion of funding appears to come unstuck, it is on this hasis that the money supply is estimated to have grown by a full percentage point. A sensible seasonal adjustment reduces this figure by balf -showing that the real excess pressure was earlier in the year. when CTD boldings were rising. However, Iwo figures do stand nut of the fog to offer. guidance. First, personal lending has dropped sharpl!" and here the figures from the clear-ing banks are a safe guide, for bave the overwhelming bulk of the business. Secondly, the rapid growth in holdings of ommercial bills outside banking system has slowed down very sharply. There is no longer any strong reason to suppose that Sterling M3, the official measure of money, is understaling the growth of llauidity and credit. In these circumstances, a growth of 1-1 per cent in a month does show pared to the forhidding recent figures for the rise in costs and prices to confirm that restraint is being imposed in good

unhappy fact that the squeeze sharply, but income

The new figures for central government borrowing provide a background which is at first sight forhidding. The public sector competes with private borrowers within any monelary constraint, and it is now a prime object of Government policy to reduce public credit demands, and so ease the pain imposed on the private sector. Figures which show that in the first 11 months of the financial year. the central government's own borrowing needs have risen from £6.7hn in 1979 to £8.1hn makes this task look borribly

#### Foreign debts

However, on closer inspection the figures are not as had as they appear. Expenditure on supply services has been beld nearly £2bn below the rise in revenue (both unexpectedly bigh). This significant achievehas meant that the deplorably sharp rise in the cust of deht service has been covered: the Consulidated Fund deficit would actually bave fallen but for bigber EEC costs.

it is the Natio at Luans Fund which bas caused the higher borrowing requirement, and partly for non-recurring reasons. Repayments of foreign currency debt by nationalised industries. and the tail end of the lag in telephone payments, are in this class. So, largely, is the swing of some £1bn in the financial position of the energy industries, the result of an exceptionally mild winter and delayed price adjustments. Only the financial needs of British Leyland, reflected in the NEB figures, are a rentinder that the Government bound to share the pain that the squeeze is imposing on in-dustry. On the whole, then, the figures suggest that recent encouraging estimates that present policies are consistent with a relatively subdited PSBR are confirmed. The whole story offers only the most limited comfort, for the squeeze threatens to be intensely painful; but we can at least hope that no new horrnrs are needed io make it effective.

# Controlling the councils

of local autonomy does not mix easily with determination to curb the spending of local councils. The Government is discovering this to its dismay. in the committee stage of the Local Government Bill, which is now thoroughly bogged down, amidst furious inpresition not only fram Lahour and Liberal MPs, but also from most of the Conservative Party's staunchest supporters in the local councils. The prospect of Labour members putting forward wellargued amendments which bave been drafted by the deeply Conservative Association of County Councils, suggests that there are, indeed, flaws in the proposals now before Parlia-

#### Rate support

The key issue, on which no compromise between govern-ments and local authorities, of politicat hues, has been oossible, concerns the method payers' contribution to Incal authority finance—the Rate Support Grant. Currently this pays for 61 per cent of local expenditure. But the way it is set prevents the Government from influencing the spanding, or rating, decisions of individual local authorities. To make matlers worse, from the point of view of an administration committed to reducing public spending, the present RSG system can, in certain circumstances, actually encourage nver-spending, hecause the assessment of each authority's 'needa" is Pased partly on its actual spending.

If central gorernment is to contribute almost two-thirds of the local authorities' revenue, it seems quite reasonable that it should have a say over how this money is spent. At a time when painful cuts are being imposed throughout the public sector it may also seem reasonable that the Government should have some means of bringing local authorities which refuse to trim their spending to

 But the bias towards overpresent structure of local system is long overdue for willingness to tackle the deeper

\*RHETORIC ABOUT the virtues mistake has been to concentrate on the superficial defects in this structure which it currently finds most irksome without showing any interest in the deeper constitutional and financial issues which any at reform inevitably raise.
The local

authorities currently spend over 11 per cent of Britain's gross domestic product. But they levy unly onedomestic ratepayers who, in theory, control their activities. Commercial and industrial rate payers, who bave no votes in local elections, provide as much as domestic ratepayers and the central government makes up the rest. It is the enormous disparity between the local authorities spending powers and the financial demands they make on their voters, which justifies scenticism about their determination to keep spending

under control. The local authorities as a whole have recently had a less profligate record than central gnvernment departments. Since 197475, their current spending in real terms has been almost constant. But the fact remains that rogue authorities which decided to defy the thrust of central government policy on public spending could, under the present system, do so with

#### Interim measure

However, any significant moves to replace national with local tax-gathering would require a complete overhaul of the local authorities' present taxing powers. Property rating would not be an adequate substilule for central government funds which are collected from income and expenditure taxes. And clearly any suggestions for local income taxes would need many years to discuss and implement. As an interim measure—seen in the light of longerterm proposals to reform the whole system of local government funding with a view to giving local authorities real independence and responsibility -the Government's present proposals to bring local spendspending is only one of the ing under control might be many serious faults in the more acceptable. But before it can demand support, the government finance. The whole Government should indicate a

#### UROPE IS divided about Iapanese car imports. The differences of opinion were apparent during the runup to the Geneva Motor Show. which continues this week, and at the Financial Times World Motor Industry Conference which preceded it. The French and British complained loudly about

imbalance of trade between the Common Market and Japan. The Germans on the other hand remained unruffled in spite of the rather surprising success the Japanese have had in Germany, capturing 5.6 per cent of the new car sales last year and first two months of 1980.

BL and the rest of the UK industry have obvious reasons to be worried. But why should of lambasting the Japanese? After all, Japanese penetration of the French car market went slightly into reverse last year and has never topped 3 per

While motor industry executives outside France say that this is because the French Govcrnment has had a polite but firm word with the Japanese through diplomatic channels, French car manufacturers insist that there are no restrictions on trade, voluntary or otherwise.

As M. Alain de Saint-Victor. managing director of Renault UK, pointed out, Renault and Peugeot between them now bave about 8,000 dealers in France, a car market roughly similar in size to the UK where BL bas fewer than 2.000 dealers and Ford, the market leader. ahout 1,250, it is extremely difficult for any importer to dent that kind of opposition-especialty when it is coupled with Gatlic chauvinism.

#### Expulsion message

One Japanese manufacturer French car dealer who took on bis franchise did very well. But the frenchmen gave up selling Japanese cars when the local rotary club expelled blm for bringing in the vehicles. "The man. He could not stand it so be dropped the agency." And if chauvinism does not

vork, it seems that hoth Renault and Peugeot are willing to give dealers extra support when a franchise Japanese cor opened up in their area. circumstances Japanese are unable to use competitive pricing to gain a foot-

Speaking at Geneva. M. Fran-cois Perrin-Pelletier, the former civil servant who is now chair-Japanese in the following terms: itself.
"I would like to point out to The request was given a luke-"I would like to point out to

harmonious development of the motor industry worldwide.

We recognise the competitireness of the Japanese industry, hut we cannot tolerate a situation in which a devaluation of the yen of almust 30 per cert strengthens even further the commercial aggression of these manufacturers and allows them to gain strong market penetration " (M. Perrip-Pelletier was speaking at a time when the Japanese authorities were taking some action to streng ben the yen.

DESTINATION

Denmark

Netherlands

W. Germany

Brigain

ireland

Belgium

traly

Norwa

Sweden

Austria

Canada

**Switzerland** 

"Neither can we tolerate the fact that their domestic market is protected by the twin harriers niggling legal requirements, which make it very difficult to adapt imported vehicles in comply, and the near impossihility for foreign manufacturers of establishing a local sates

Perrin-Petletier's words be understood in the attitudes. context of France's commitment to the motor industry. Its economy leans very hearily on Renault and Peugeot. And the reason for the French chorus of protests can be found in export

rather than home sales.

In Italy, where Fiat is a major element in the country's industry, a pre-Treaty of Rome agreement keeps Japanese car iomorts to a minimum.

The Japanese success in Germany and elsewhere has been to some extent at the expense of the French and the Italians. Recently, the French manufacturers' association privarely urged its German neighhours to projest, about current Japanese attack on the "Germanic markets"-a reference to the fact that the target

Japanese manufacturers that warm response.

The Americans and the Europeans will not be prepared to best vehicle export market been playing crickel while But if U.S. import controls accept for very lmn2 the after the U.S. and the others have bee imbalance of exchange which is UK, but growth an far has effective games." being established. Japan exports been at the excense of The Germans 100 times more cars than it the Italians (Fiat), forced into mood to support the French or facturers might not he affected.

imports, which seems to me com- third place in the importers' pletely incompatible with the league tast year by the aggresand their nwn inability to supply the right cars in the right quantities because of industrial

JAPANESE MOTOR VEHICLE SHIPMENTS 1979

37,517

4,775

7.868

9.155

230

3.219

2.716

4.445

33,994

12,696

525,924

PASSENGER CARS TRUCKS

175,739

27.032

21,324

47.557

175,935

1.600

23,408

26,222

45,461

26,716

15.718

1.546,740

problems. The French, top importers in Germany with a 10 per cent market share, have also felt the impact of the Japanese who in Germany have attacked along a hroad frant Unlike in the UK. where Datsun bas led the fight, Germany Toyota, Mazda, Datsun, Henda, Mitsubishi and Daihatsu (in order of sates volume) are active on the

market. There are doubts among German maonfacturers about whether the Japanese market share can ever go much beyond the 8 per cent tevel. To do this the Japanese would have to erode the positions of the German producers and this would involve a radical, if not improbable, shift in customer

UK-now that the Japanese have voluntarily car shipmentsrestricted Renoult is dashing ahead of Datsun this year as the leading "traditional" importer — as distinct from those nationals nationals with British operations which bring ln "tied" or captive" imports.

But at Genera, Mr. Ray Horrocks, managing director of Bt. Cars. concentrated his remarks on the Japanese. maintained that the Angle-Japanese to-operation represented by BL's joint venture with Honda did not ntean that "we feel able to stand aside threatened through trading.

Mr. Horrocks Insisted that while the t'K has been very others have been playing more

The Germans seem in no

British attltude. Herr Werner Schmidt, world sales director for VAG, the Volkswagen-Audi group which dominates the German industry in volume terms at least, was very outspoken on the issue.

Automobile Manulacturers Assoc.

30 840

213,257

31,847

99,858

89,345

56.712

124.340

2,430

28,932

53,928

31,162

33.744

49,726

73,600

2,072,666

21,778

168,880

32,363

125,133

81,198

38,178

123,371

1.832

12,112

17,061

40.842

15,739

12,371

39,094

137,016

t,892,537

Mixed reactions in Europe

to Japan's car imports

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

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He pointed out that Volkswagen sold 22,000 Golf cars last year, in Japan, representing, 45 per cent of total car imports to that country.

Herr Schmidt admitted that the technical tests cars had to undergo to qualify for use in approval tests—were tedious and expensive. But tapan had no tariff barriers 'or cars. compared with 11 per cent in the Common Market and it was a prefible market for Volks

We Europeans are much less willing to adapt to Japanese ways than the Japanese to European ways."

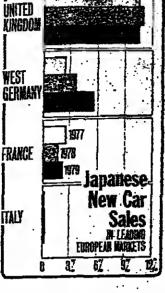
Ironically, some German componies are worrled about the current intensity of anti-Japanese feeling in the industry mainiv because of what might happen in the U.S.

During the early days of the Geneva show the news came through that importers to the U.S. in February had taken 27 per cent of new car sales at a time when 200,000 car workers were laid off indefinitely.

#### **Protectionism** warning

unfair U.S. authorities did not want to restrict imports and, indeed, the latest pronouncements from the man and chief executive of countries include Austria and "Japanese imports have been U.S. industry's leaders bave Talhot Europe, tore into the Switzerland as well as Germany clearly timited in other EEC been against protectionism. U.S. . Industry's leaders bave countries by various means However, "one emotional event

were almed only at the major car importers—that is the lepanese—the European manu-



That could be achieved allowing a certain number of rehicles to be imported without restriction. There are precedents for this approach. turers with sales of under 10,000 cars a year escape the stringent U.S. fuet ecnnomy regutations,

for example. For the time being, however, the U.S. industry and the Union Aulo Workers are concentrating on persuading the two major Japanese, companies, Toyota and Nissan, to set up production facilities in the U.S. rather than on calling for barriers to imports.

But Toyota and Nissan are showing little interest in setting

Significantly, the Europeans are also split on the subject of assembly in their markets. BL, of course, has its deal with Honda to produce the Bounty, a car to be made in the UK from Japanese designs and with a Japanese engine and transmission. In Italy Alfa Romeo is well on the way to concluding a similar arrange-ment with Nissan. But the French have severely criticised the BL-Handa deal, while Figt has been searching for ways to deflect its compatriot from seeking a Japanese link,

Joint ventures in Europe make more sense for the Japanese than setting up new facilities. No one mudel sells in enough numbers to he produced economically in Europe, tThe use of so-called "thinking robots" may well change that. Herr Hans-Erdmann Schoen- however, because they give a beck, BMW's sales director, said plant more flexibility in switch output from another.)

Moreover there is airead? overcapacity in Europe. B'th's estimate is that by 1985 Werl influion and cost problems that Europe will be capable of producing t.3m more cars than it-

necessarily in the right place or of the right quality, which explains why General Motors is building new assembly and Austria and why Ford of Europe putside Japan.

is still interested in setting to a new assembly facility if it can get the right hind of grants or other financial assistance.

Until now the Japanese have concentrated virtually all their production in Japan. suggest that the two big Japanese companies, in particular usually instal new capacity first and see where they can he markets for the extra curs taker Between them Toynta and Nissan will spend \$1.5bn this vear and increase capacity to 500,000 cars by early next year.

There is also pressure from the smaller Japanese companies to increase capacity With a total of nine manufacturers, Japan has the least concentrated and most competitive motor industry of any of the teading counfries. "Japanese production, under the pressure from the small manufacturers who are eager to

achieve critical votumos, mist continue to sacrease. It could increase from 9m to 11m vehicles during the period "Whereas European manufac-

nirers are conscious of the risks of expose capacity, this is clearly not the case with the Japanese manufacturers."

There are at last sizes that Toyota and Nissan are ready to move away from home base. In January Nissan acquired 36 per Massey Ferguson. lberies is mainly a producer of agricultural compment: light trucks and vans but Nissan take it will also be used as a European base for car production. Toyota has, it is believed, also been lookisz at Spain as a potential European assembly point.

#### Fiat-Renault setback

The two companies which stand to lose most from the Sonanese entry into Spain are Fiat, which is in the provistaking control of Seat. fer meny years the major car proditter in that country, and Renault, which took mark a marker leader had your auhoped in five years to have cansolldated its position.

tt was, therefore, not surrris ing that the French gave warnings to the Spanish Government about possible complications in the negotiations for Spain's entry to the European Com-munity orising from the Nissan Yet there are man, in the

Industry who ludieve the to set up car plants in Entage where they would face the same producticity, labour relations local manufacturers eurounier "In those circumstances, I would be surprised if the Japanese re-That capacity, bowever, is not mained so highly competitive is the way une senior French enorative summed it up This. of course, is providily the rea-son why the Japanese companies component plants in Spain and are so cautious about investin;

#### Tying up some

loose ends

Can British Steel he a few steps closer to selling off its two non-steel-making subsidiaries? Clearly Sir Charles Villiers has other things on his mind just now, but the question is prompted by a 19-word message —including initials—on the ticker-tape yesterday. It reads: "Bridon. Mr. R. Scholey bas been appointed a director. Mr. D. G. S. Waterstone has resigned from the board."

 The R. Scholey in question is indeed "Black Bob." BSC's chief executive. Ex-diplomat David BSC main board director con-signed. In the resbuffle of 1977, to the backwater of running RDL and BSC Chemicals. It is a reasonable guess that this high-fiver is relinquishing his role at the private wire-making firm of Bridon (of which BSC owns a stake of just under In per cent1 as a preliminary to departing the BSC

As I predicted last April, the Tories have been keen to hive off these companies: and Waterstone has indicated his intention of staying put if RDL or BSC Chemicals parted company with their parent.

Both have been on the market for several months. BSC Chemicals recorded a respectable £12m profit last year. RDL, still the biggest steel construction firm in Europe, is "in a turn round situation." as they say in the trade: Waterstone has injected new life into it hy exploiting the requirements of the North Sea oil industry, and recently landed a contract to build an oil platform in Brazil. But selting either company,

hot potato white the strike is going on. Although hiving-off is a well-

which has proved difficult

enough without a strike inter-

vening, is felt to be a political

the strike is over. Together RDL and BSC Chemicals will probably fetch between £30m and £60m-enouzb, maybe, to cover a fortnight of its current tosses.

"How about a whip round for

their strike fund?"

#### Velvet lady

Mrs. Thatcher may not have won nver many French viewers to Britain's cause in the EEC during ber interview with French TV, but she wnn a tot of marks for the way she tried. The consensus in the Paris professional activities.

Press was that ber manner was more palatable than her arguments. The conservative Le Figaro said she offered " nothing new, be it on Europe, the Middle East or Afghanistan," and the even more conservative evening business paper Le Nouveou Jonnal atlacked ber for "intransigence." Mrs. T had good reason to argue forcibly, it said, because Britain's case was " the \_very worst."

But the Thatcher smile worked

because of her "remarkable that there is nothing in a name, radiation." Beside her, it said. "Surprisingly," says Deloitte's most of France's leaders were umpire is Marrian. "I did not like lead.

Le Monde, more tongue-in-cheek chose "Velvet Lady." Her indigination over Britain's EEC budget contribution and other issues was ofeasured and potite, it said, perbaps excessively so. "She thought herself obliged to be charming, to seduce, literally, her Downing Street guests." As for the inter-viewers, "they wriggled in contentment. They are not used to it Imagine Messieurs Callaghan, Sebmidt or Stranss turning on those winks, those roguish, saucy hewitching smiles for their benefit. It would be staggering."

#### **Bust in fun**

The rough and tumble of commercial life proved too much for an uncomfortable large proportion of the teams entered in Britain's first inter-university business games contest. Of the 200-odd "companies" entered, in have gone to the wall since October and 11 others have heen declared insolvent by the nrganisers, City accountants Deloitte Haskins and Sells. Only 72 completed the heats without being "fined" for no-

"The most common failing." the firm says in its pre-finals assessment, " was inefficient cash management-at one stage 47 companies were sitting on over-£Im of inactive cash. . Sn far no real stars have

emerged, but that should change at the finals next month when the five top scorers (all redbrick universities and including an Irish team from Cork) battle it out under increased pressure.

Strongly fancied after the cliche with which they bave more than !7 per cent. But it t finance. The whole Government should indicate a established part, of the Tory been boring each other for the came nnly a whisker ahead of long overdue for willingness to tackle the deeper creed, it will unfortunately past year. Le Quotidien de Paris Store Crooks Lid, and Fast Buck The Government's problems over the coming years, prove nn panacea for BSC once opted for "Uranium Ludy" Inc. I am assured, bnwever.

detert any criminal minds al work. Everyone seems basically bonest."

#### **Broadside** Readers enthralled by the

game of bide-and-seek being played in the lobby of British Shipbuilders the other evening will no doubt be keen to hear of the denouement. We left the chairman of Bristol Channel Shin Repairers, Christopher Bailey, brisiling with frustration and staging a sit-in after being denied access to B5 chairman. Admiral Griffin, Bailey sat fuming with an offer to huy the Falmouth repair arm of BS in his pocket, as the Admiral sent "no deel" signals down in the lift.

While several escaped through the back door Bailey tells me the Admiral him self eventually descended into hrondside range. "Hello Christopher." he ventured with admirable aplomb. "I didn't

But the pugnacious Bailey's dander was and remains well and truly up. More fireworks can he expected from this devort opponent of all things national ised, including. I hear, a call in the Government for a clear-out at the top of British Shinbuilders.

Would Bailey himself enlist the job on the hridge? Only on the strictest conditions," he says. " the main our heing that politicians should keep their hacksides nut of it. But any businessman with any sense can see what is wrong. company losing £100m simply cannot afford the extravagances I have seen.

"I could reduce that loss ly half in a matter of months." he booms, " and I'd start by cuttir" French commentators the opportunity to scrap the "Iron Lady" an annual rate of return of secretaries to secretaries, new cars and new carpets."

# 12 YEAR OLD FOUND SLEEPING ROUGH IN ABANDONED CAR.

One cold Friday night in January, 12-year-old Sam had a row with his stepfather It started because Sam forgot to switch off the landing light. It ended with his stemather, quite literally, throwing nim out and telling him never to come back. Although she was worried

because of the freezing weather, his mother was arraid to do anything. After all, she had four other children and a small baby to fend for So it wasn't until Tuesday-when the social worker made a routine visitthat the police were alerted and the search for Sam began. Two weeks later. Sam was

found sleeping rough in an abandened can He was dirty, tired and hungry. Even so, it took over an hour before he could be coaxed out of the car. And many weeks before he managed even a flicker of a smile. There are many children like.

Sam in Barnardo's residential homes. Children whose families have let them down badly. Children whose distress cannot be measured. whose desolation cannot be put into words.

Will you nelp us give them the love and care they need to mend their shattered lives? It takes time and infinite patience, And, of course, it takes money. Every £i you send nelps Dr. Barnardo's

bring meaning to a child's life. \$2 would buy Sam a few posters of his favourite football stars to put on his bedroom wall £5 would buy him a football of his very own \$50 would buy

you give is worth £1.45. As well as residential homes Barnardo's run temporary relia homes for families in distress. day care centres, and residential schools for the handicapped. . Please send what you can

him a bed to sleep in And if you

covenant to pay regularly, we can claim back tax, so every £

today to help us go on taking care of children like Sam. Reductives backgram substitu

State Latinering publically.

# **⊕** Dr Barnardo's

Dr. Barnardo's, Tanners Lane, liford Essex 106 12G.

Please send me detail the value of my givin	is of coverant 1g.	s so t	hati	Can II	CTESS
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# אוניים וולאלים אוניים אוניים

WHAT PRESIDENT Jose Lopez tion capacity greatly expanded. Mexico's and Canadian energy Portillo of Mexico decides to say about the future of Mexican over the past two years, the which has met with little love oil next Tuesday will he of least as intriguing.

The day is the anniversary of the nationalisation of the country's oil industry in 1938 and the birthday of Petroleos Mexicanos (Pemex), the State oil concern then set up to take over the assets of the predominantly U.S. and British companies. It is a day on which the Mexican Head of State tradi-tionally makes a policy state-he foresaw of it being breached Mexican Head of State tradiment on oil. As Mexico becomes an increasingly important producer of oil sueb policy statements gain eurrency far outside its horders.

The predominant issue in the industry now is whether Mexico is to breach its self-imposed production ceiling of 2.25m harrels a day of oil—of which about 1.1m harrels are used domestically—and move up to output levels of 4m b/d That is now within Mexico's grasp and would make it one of the world's top exporters, on a paroil market and come as a particular relief to the U.S., Mexico's neighbour and largest

In a formal sense there is no need for President Lopez Portillo to say anything about oil it has been encountering in the production next week. When be started his six-year term of office in December 1976 be announced that he would use and of some sections of the U.S. the country's rapidly growing oil industry have been raised known reserves with prudence. by proposals such as bave been The output celling he an mooted in the U.S. Congress nounced was expected to he under which the U.S. would

cast that Mexico's reserves goods would flow unimpeded would be immeasurably in into and out of the U.S. and the creased and its potential producture. U.S. would be able to count on

President stuck to his guns, interest to oll consumers round There was no need for the wells Ottawa. the world. Even if he says to be drained of any more oil nothing his silence will be at than bad been announced, he repeated.

> before the price rises which followed the meeting of OPEC in Caracas, the President said that the 2.25m h/d ceiling would he from the Mexican oil industry was in the unlikely event of a quickly. world agreement being worked out for the production and consumption of oil. Mexico, he said, would be doing itself no good by responding to demands from individual importers for more

#### **Expectations**

There is little dnuht about whom the President was mainly referring to when be menlioned from with Iran and dwarfed only hy Importers. Since he took office Saudi Arabia. Were the decision and particularly since the to gn in favour of pushing up announcement that at the end production it would relieve of 1978 proven reserves totalled pressure on the international 40,194m harrels, probable reserves 44,612m barrela and potential reserves, including these two amounts, 200hn barrels, the U.S. bas been seeing Mexico as a close, reliable answer to the supply difficulties

reached not long before bis six join with Canada and Mexico in years in office were up. a North American Common At that time few could fore- Market. Under such proposals either in Mexico City or in

As the political situation in the Middle East becomes increasingly complex and Were production to be fraught with danger the attrac-increased rapidly, be argued, lion of Mexican oil grows fraught with danger the attrac-Mexico could be in danger of rapidiy. Another reason is that "financial indigestion." In an Mexico does not helong to interview in mid - December, OPEC, and shows no signs of applying for memberahip.

American expectations bave been further raised by leaks suggesting that it could produce much more oil much more

The pressure from the U.S. for more Mexican oil coincides with the deaire of Petroleos Mexicanoa and its powerful and ambitious director-general, Sr. Jorge Diaz Serrano, to win his spurs and preside over one of the biggest production opera-tions in the history of oil:

The pride which Sr. Diaz Serrano takes in his organisation is well reflected in his description of Pemex, given last year. "We are," be said, "at an operative technical level comparable with that of any oil company in the world; we possess efficient technological capacity and human and tech-nical resources in order to increase production without the is a powerful force for expansion help of foreign corporations thus keeping safe the features of a people's enterprise, operated by Mexicans and able to attain the goals and objectives that the interest of the nation may demand."

#### Hopeful

Today Sr. Diaz Serrano, having recovered from much of the criticism of the circumstances surrounding the hlow-out at the Ixtoc well in the Guif makes np California, Texas, of Campeche and perhaps har-Arizona, New Mexico and parts of Campeche and perhaps har. Arizona, New Mexico and phouring hopes one day of other U.S. states, hecoming President of Mexico, exchange for \$15m.



Sr. Jorge Diaz Serrane, director-general of Pemex: a force for expansion

in the oil sector.

Equally determined forces

are ranged against the siren

calls from the big northern neighbour and the expansionism

The last U.S. military interrefusing to allow the Shah of

of Sr. Diaz Serrano and Pemex. Iran hack into the country after No Mexican President in recent times has won popularity by doing favours for Washington. he had been to bospital in the U.S., the President was doing more than Mexican Mexicans have long historical no memories which still encom- nati nationalism demanded of him. pass, for instance, the Treaty of Guadalupe Hidalgo in 1848. Under that pact Mexico lost ball The fact that increased oil production would benefit the U.S., which already takes more than three-quarters of Mexico's energy exports, would in Mexico he a prima facie reason for opposing it.

But there are more important vention in Mexico occurred as reasons than that for going slow. recently as 1917. When Sr. "No one here wants to go the Lopez Portillo emharrassed way Venezuela went," one Washington a few weeks ago hy aenlor Mexican official conrefusing to allow the Shah of mented to me. Mexicans look upon Venezuela as a country where most industry has been blighted and the economy skewed by excessive reliance on selling oil. With a population some \$22bn. of about 70m, five times that More mo of Venezuela, and social prob-lems that dwarf Venezuela's, the year rose by all but 50 per cent.

President Jose Lopez Porttilo: he is

putting nu the hrakes

Oil is seen as one of the to foreign investors, this figure infinite subjecty of Mexico's factors pushing up inflation in could well rise. There are more politics.

Style exhibition, Victoria and Albert Museum, London.

eoce, Monte Carlo. European Parliament in aes-

GENERAL

facturing sector competitive on indust international markets. In a necks country which until 1976 had allow. been used to a stable currency, the possibility of an oil-fuelled inflation pushing prices up by perhaps 30 per cent this year is alarming. It is even more alarming when paliticians realise that even in the best of circumstances there will be a rush of organised labour this

year to recuperate the buying

power lost by the fall of real

wages over the past two years. There la alarm about the prospect that an expansion of the oll industry will make worse those bottlenecks in the who understand the Mexican economy which are already dilemma. They are arguing helping to push prices up. that the Mexicans should be The railways and porta are in dire need of modernisation: alon about oil production withmiddle management is in snort out ten much jostling from aupply and so is skilled and semi-skilled labour-which in Mexico includes those who know bow to hold a screwdriver.

Too precipitate an expansion of oil production over and above the 8 per cent which Mexico notched up last year and is expected to repeat in hetter the near future could transform these problem areas into disaster areas.

plus. Last year income came social unrest. to \$1.79hn against expenditure of \$1.5bn. There are many who say that the Covernment ciates hint that there will be had not yet made its mind up no increase of oil production ahout how to spend the windfall profits which accrued to it as a result of the December OPEC price increase. It does not seem anxious prematurely to repay its foreign dcbt-of

More money is Mexican economy has to provide hundreds of thousands of is expected during this year new jobs every year if it is to avoid unajor unrest.

Year loss by an hit is for the foreign investment of \$1.4hn is expected during this year and as the Mexico City stock market is progressively opened

Mexico and limiting the than ample funds for as fast a prospects of developing a manu-rate of growth in the Mexican

necks in the economy will In addition many Mexicans in government, led perhaps by Sr. Jose Andres de Oteyza, Minister of Industry, see little sense in selling stocks of oil the money value of which is

appreciating.

Despite the fact that bilateral relations between Mexico and the U.S. have been badly handled by both sides, Mexico is fortunale that there are some influential figures in the State Department-if not in other departments of government-

#### Realisation

US officials on the snot appear to realise that their cooning's long-term interests are served economically stable Mexico than by a Mexico which is shipping im barrels more of oil a day New income has pushed the to the world's markels at the Government hudget into sur- risk of economic chans and

Nevertheless while President once the 2.25m b/d ceiling is reached sometime in mid-year, they also add that a figal decision has not been made. Some foreign observers feel that in a very informal and unannounced way production will he allowed to creep up gently perhaps in the course of next year, thus giving neither the expansionists, nor the con-servationists too much cause for complaint. And that solution would be ennsonant with the

#### Letters to the Editor

also need to look at the "operables" in a situation in-

stead of just thinking in terms

cause and effect

Edward de Bono, Centre for the Study of

11 Workworth Street.

Charges on

bid bonds

Combridge.

#### Dereliction in dockland

From the London and Home Counties Regional Secretary, Transport and General Workers'

Sir,-We expect your paper to support the creative potential will encourage, indeed force, of private enterprise. We can executive directors to act as not, however, let pass your editorial suggestion (February 27) that the private sector needs only to be set free in London's docklands for the area to thrive again. After all, it has been the at executive level within a nondereliction and its high unemployment

As a consequence, the pains should not—depend upon the taking job of modernising the appointment for his livelihood, area's infrastructure and its he is more likely to be able to economy has been left almost entirely to the public sector. Research shows that 25 to 30 Their approach incorporated in per cent of the average board the London docklands strategic plan won the support of a very broad range of local groups, trade unions and commercial interests. Indeed, so successful was it, that it became the model for the Labour Government's inner clty policy.

The task of docklands develop-ment was delayed, not by your wholly mythical obstructive and conservative local groups, but by lack of powers especially to acquire land by a shortage of public finance, and hy the conlinuing failure of the private sector to make any substantial financial commitment to the

The area has also been with a leading British manage-blighted by the confused and short-sighted strategy of the PLA. Its determination to Edward James, is right to stress Edward James, is right to stress Edward James, is right to stress. PLA. Its determination to Edward James, is used to shandon all the upper docks (March 10) the important role, ahandon all the upper docks (March 10) the important role, appears ever more extraordinary. The benefits of dock
facilities at the centre of a
country's largest industrial and
country is largest industrial and
country in the important role to be played by consultants in the search for suitable and industrial and country in the important role to be played by consultants in the search for suitable and industrial and country in the important role to be played by consultants in the search for suitable and industrial and country in the important role to be played by consultants in the search for suitable and industrial and country in the important role to be played by consultants in the search for suitable and industrial and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country in the important role to be played by consultants in the search for suitable and country consumer market will grow as that the particular needs of the oil prices rocket and as the company are examined; that the on prices rocket and as the financial and environmental costs of road huilding to the proliferating small coastal ports become more evident. The highly successful up-river ports in Germany, France and Relgium illustrate how Belgium illustrate how one-

dimensional and backward is the PLA's vision of the future. The answer to dockland's problems does not then lie in a wbolly new agency with no experience and no responsibility to local people. We predict that it will succeed only in enticing one or two speculative projects to the most attractive parts of docklands at enormous public cost. What docklands needs is a strengthened docklands joint committee with more money. more powers to acquire land and, above all, greater muscle to develop industry; that's why we bave suggested a strong in-dustrial development board working within the planning frameworks set by the docklands joint committee.

Its primary aim would be to ensure that surplus land in the of 18 per cent per annum the docks and elsewhere is interest rate on savings would developed for industry, as much vital need for docklands as it is for the country generally. S. Staden. 218, Green Lanes.

#### Finsbury Park, N4. Non-executive directors

From the Director of External Relations, Institute of Directors Sir,-I bave followed with interest the correspondence in your columns on the subject of The non-executive director is the company's own, in-house, psychology speciality trained to cope with strategic management consultthe other aspect. Why do savings ant with a continuing relationrates rise in most countries at the onse! of Inflation but fall ship with the company, enabling him to see a programme through in the U.S. to the present very from Initial diagnosis to implementation of pollcy. It is his presence on the board which low rate of 3.3 per cent of

meetings, rather than as managers. The Ideal non-executive director is successfully operating progressive desertion of dock competing company. He brings lands by private firms—the Port that experience to his nonof London Authority included executive appointment. He is more likely all aspects of Inflation. I would approach to boardroom issues, envisage such a commission as and because he does not-and having a much wider membershould not-depend upon the ship than economists. We may

directors when they sit in board

express an independent opinion. are non-executive directors. Because we believe that the contribution of the non-executive director is vital, we are inclined to think that the proportion should be greater. But it is more important to recognise and exploit the con-

director than to argue how many there should be. For this reason, the institute is announcing a major initiative. increasing the aimed at number and effectiveness of nonexecutive directors on the boards of British companies, with the formation of a new appointments service jointly

qualifications of candidates are matched with those needs, and that candidates are selected from a wider field than those known to chairmen or other members of the board.

In the hoardrooms of British companies, there is a vast residue of full-time executive talent amongst directors who should be encouraged to take up non-executive director appointments. This would benefit a director's present com-

pany, the recipient company and the executive bimself.

116 Pall Mall, SW1.

From Mr. E. de Bono.

really means that

#### computers From Mr. B. Panton Looking at Sir.-While the arguments

being put forward (March 6) by inflation

Mr. Phillp Chappell, chairman of International Computers, and his managing director, Dr. Chris Wilson, for more Government Sir In Argentina they talk easily about inflation rates of aid to the British computer 12 per cent-they refer, of industry do bold the valid course, to the rate per month. premise that our industry would Savings are indexed as they are in Israel. With an inflation rate foreign competitors if Government were not to support the Sweden last year for assistance industry by either funds or also be 18 per cent. Yet similar favour, it should not be configures for inflation rates and cluded that support for the interest rates in the UK and U.S. are held to be part of larger companies, such as ICL, would necessarily be of value.

charges whatsoever.

a credit squeeze according to ICL does need help with its monetarist doctrine. So on the research and development costs one hand the rates are institu-tionalising inflation (as indexa-tion is supposed to do) and on and, being the only Britisbowned mainframe manufacturer, assistance towards its the other band almost similar development of equipment could rates are choking off inflation. well be said to have possibilities

Obviously it must all depend on of henefit for the nation. bow you look at it and what When it comes to software. you expect to bappen. Which today bowever, the case for assistance economics are about 40 per to ICL is not strong and can he cent economics and 60 per cent said to lack merit.

hut in the main they produce and so enhance the competitive edge of these manufacturers.

Perhaps we should create a condition of Government supnew speciality of psycho-economics to supplement the poverty of ideas on such matters port in the development of its computer equipment, to provide the software bouses with the detailed specification that IBM as inflation. Perhaps we should regard money not as energy (be it under the force of U.S. Anti-trust laws) provides, the (transfer, storage, flow according to "market gradients) hut as information which has quite result for Britain could well be other characteristics. Perhaps we should simply set under development plus, from aission to enquire into

> appeals for Government funds takes place? ICL ajone and not of the British computer industry in general. Bernard Panton.

Telecomputing, Seacourt Tower, West Woy, Oxford.

# Channel

From the Managing Director, Furness-Houlder (Commercial links Sir,-I was interested to read From the Executive Chairman, your Amsterdam correspon-dent's dispatch (March 6)

& O Ferries Sir,—With reference to Mrs. A. Keith's letter (March 6) regarding Saudi Arahia, particu-larly his reference to "heavy headed "Channel link" it would interest charges on hid honds." appear to me that Mrs. Keith has not been travelling via Dover The suggestion that contractors are weighed down by the

cost of providing bid and/or tender honda is, in my view, a specious red herring. If an My company offers departures every even hour every day for specious red herring. If an organisation cannot afford the nearly the whole year. Thus combined with our competitors reasonable amounts Mrs. ligitb could simply go into the terminal in Dover eastern docks 350 times out of the 365/366 days of each year (peak charged for bid bonds, I do not think that they should he in the export market at all-I know from personal experience that this type of hond is looked upon. weekends may be a hit tricky!) and within 30/90 minutes be away to Boulogne or other ports. Ships are much more flexible as a loss leader, and certainly the expenses incurred hy the than tunnels and would be less banks and insurance companies operating in these specialised prone to terrorist activity or accidental blocking of the route. spheres inevitably outweigh the sums passed on to the client. In fact I know of a number of and do from time to time affect other servicea sources which do not make any Ferry frequency is with us

now and I hope Mrs. Keith will take advantage of the availa-R. H. Nye. 52, Leadenhall Street, EC3. bility to either book beforehand or just arrive in the terminal Aid for UK as she chooses. Ian Churcher.

> Beaufort House, St. Botolph Street, EC3.

#### Oil-sharing plans

From Mr. G. Greenholgh. Sir,-The account of the International Energy Agency fake oil crisis to test the emergency oilbe at a disadvantage against sharing plans (March 3) refers to the application made by under this acheme. But at that time the Swedish Government, as a sop to public opinion. refused to allow the start-up of two completed nuclear power stations - and these stations are still standing idle. Yet the energy output from stations would be equivalent to the 7 per cent of Swedish oil

> to trigger the oil-sharing aid, The Swedish people will vote in a referendum on March 23 to decide whether to continue their nuclear programme, which at present provides about 20 per 1. Victoria Street, SW1

supplies, the quantity required

British houses have a good cent of the country's electricity, record of producing software, or ahandon it. If the latter course prevails, the Swedish for use on IBM and other need for oil imports will rise American-owned manufacturers, steeply at a time of increasing world-wide oil shortage. It could then he argued that

Were ICL to be required, as a the voluntary renunciation of an ordition of Government sup-assured energy supply would undermine the hasis of the IEA support scheme. When the real oil crisis comes wby should those countries that bave bad the fore sight to utilise all available chergy resources share out their limited supplies of oll to appease the carlier availability of the the Swedish anti-nuclear con-powerful machines ICL has science? To the appeal of the foolish virgins "give us of your the software houses, an abun-dance of high-quality software. the wise replied: If ICL, in the interests of lest there be not enough for us securing for itself all revenue and you." Should not the IEA from software sales, rejects this make clear its policy on this possibility, it would not be point, to the Swedish Govern-unjust to conclude that its ment before the referendum Sweden must and favour should be judged as determine its own energy future if they were in the interest of but the IEA has a duty to ensure that the consequences cause the minimum of harm to other IEA

> members. Geoffrey Greenhalgh. Down Park House, Crawley Down, Sussex.

#### Trade promotion in Japan

From the Head of Information, Oppartment of Trode
Sir.—May I comment on two

impressions which might have been given by Charlea Smith's article (March 3) entitled "Cutback in British export promotion to Japan."

The move of the British export marketing centre to new remisea io Tokyo does not imply a lessening of official support. A full programme of exhibitions of a wide range of British goods will continue to be supported by the British Over-seas Trade Board (one a month is planned for the next 12 months) and the new centre will provide, as hefore, facilities for visiting British businessmen and for private exhibitions by com panies. The World Import Mart where the new centre will be located from September 1 already houses American and Canadian exhibitions and other Governments are likely to follow We will be providing exhibition and ancillary facilities at least as attractive as before, at less cost to the British taxpayer.

The second point which needs correction is that the exports to Japan unit of the Department of Trade is being "phased out." On the contrary, the unit is alive and well and will continue to offer detailed, expert advice to British firms on the Japanese market. The unit is still staffed by officials with extensive per-sonal knowledge and experience of the Japanese market and

language. Of course, the large imhalance in the UK'a hilateral trade with Japan could be reduced if more British firms were prepared to invest time and effort to the study of this undoubtedly difficult market and its unusual trading methods. The record of UK export growth to Japan com-pares well with growth in other markets and enough British firms have been successful in the market to encourage others who have not yet considered it to do so now with the help that we can provide.

#### Today's Events

UK: Mr. Peter Walker, Agricuiture Mloister, addresses one-day conference on Britain in the 80s, PARLIAMENTARY BUSINESS TUC women's conference opens, Brighton (to March 141.

The Queen inaugurates Japan House of Commons: Coosolidaconference

ted Fnnd. House of Lords: Debate on Report of the Independent Commis-sion on International Develop-ment Issues. Short dehate oo resideotlal homes and care for

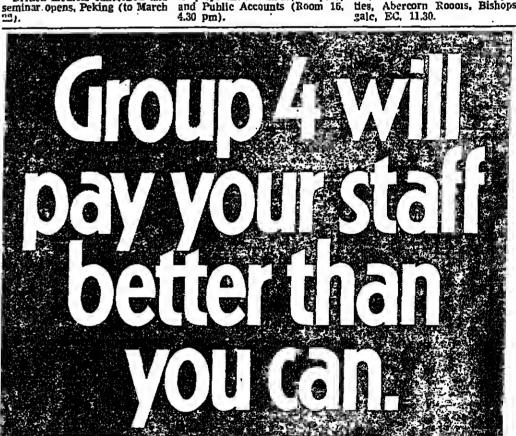
Overseas: Lord Carrington, Foreign Secretary, starts visit to the elderly.

Select Committee: Education
(Room 6, 9.30 am); Foreign
Affairs (Room 15, 10.45 am); In-Romanta (to March 14).

World retail hanking conferdustry and Trade (Room 16, 10.30 am); Energy (Room 8, 10.45 am); Employment (Room 15, 2.30 pm); lon, Strashourg. British medical exhibition and and Public Accounts (Room 15, 4.30 pm).

COMPANY MEETINGS Bakers Household

Queens Hotel, City Square, Leeds, 12. Homfray, The Post House, Queeos Drive, Ossett, West Yorkshire, 12. A. Kershaw. 38 South Strect, W. 10.30. Lookers. Lancashire County Cricket Club, Talhot Road, Streiford, Manchester, 12. Rank Organisation, Royal Lancaster Hotel, Lancaster Ter-race, Hyde Park, W. 12. R. Smallshaw (Knitwear), Druid Street, Hinckley, Leicester, 12, United States and General Trust, Bucklershury House, 11, Wallbrook, EC, 2.30. Westminster Properties, Abercorn Rooois, Bishopsgale, EC, 11.30.



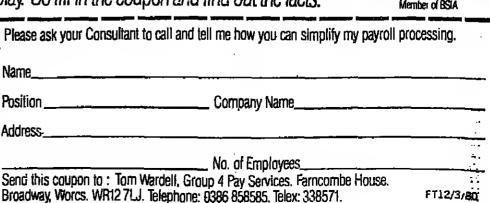
Wouldn't you like to forget about paying your staff? All that effort soaks up costly man hours which could be used elsewhere. So consider the alternative.

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Governo

race b

schoole

# Sedgwick makes £47m: meets dividend forecast

bined Sedgwick Ferbes Bland Payne Group for 1979 amounted to \$47.4m but as expected, the result is lower than the total profits of the two former groups in the previous year.

Mr. Neil Mills, chairman, says in his annual report that much of the insurance broking income is earned in U.S. dollars and he estimates that pre-tax profits might have been some £5m bigher if sterling had not in-creased during the year.

As forecast following the merger last February of Sedg-wick Forbes and Bland Payoe insurance groups, the director are recommending a final dividend of 30 to make a 5p total agains) an equivalent 2.68p. Stated earnings per share are tt.4p compared with an adusted 10.7n-earnings per share for the former Sedgwick Forhes share-bolders in 1978 were 9.325p.

il Profits for 1979 represent group ber 31, while 1978 results are for Sedgwick Fornes for the year to December 31 and Bland Payoe for the year to September 30. Bland Payne results from October 1, 1978, to December 31, 1978, have been taken to

Brokerage income suffered hetween UK and U.S. insurance broking groups. Higher interest rates bowever partly compen-

Lex looks at the Februrary banking figures which show that Sterling M3 is still growing above the Government's larget range hut suggests that the growth in bank lending is slowly decelerate Elsewhere Britain's biggest insurance orokers, Sedgwick Forbes Bland Payne, has announced a small decline in profits hecause of unfavourable currency trends and overcapacity in the market Cement Readstene, the big Irish huilding materials group, is continuing to enjoy buoyant growth and finally Lex looks at the bid for Viking Oil with Denimex outbid by Sun Company. On the inside pages there are comments on Bibby. Pentos Ductile and Johnson Group. Two companies have gone into liquidation, Sanger and Fertleman, and Reed is bidding for London and Provincial Poster.

sated for these reductions, the holders will be asked to approve a change of name to Sedgwick

Exploratory discussions are already taking place hetween the group and Alexander and Alexander Services inc with a view to the co-ordination of their

Any arrangement is likely to require action by certain govern-medial bodies, in addition, it must be subject to the approval during 1979 because insurance of the Committee of Lloyd's, rates were lower and because of whose policy on the regulation the overall effect so far of the of Lloyd's insurance brokers is general realignment of links to be reviewed in the light of the recommendations of the Fisher Committee after it has reported in April.

Mr. Mills states that the conchairmao says.

At the AGM on April 3. sbareagainst foreign currencies and over-capacity in world insurance markets makes it difficult in forecast the group's revenue for the current year. However, pro-fits for 1980 should further reflect the beneficial impact of the merger on expenses.

~	the market of the		
3	•	Y	eat
r	•	1979	19
		£000	200
	Revenuet	129,785	174,
•	Evpensest	85,601	74.
-	Profirt	44,185	49.
t	insurance pratit .	3.280	1.3
Ī	Profit before 19x	47,465	50.5
	Tev	23,300	27.3
	Net profit	24.165	23.5
ı	Minorities	119	1
	Extraord, debits	843	
ŧ	Dividends .	10,538	
	Relained	12,665	
	t Excluding insurance		163

# J.E. Sanger unsuccessful in bid to obtain cash lifeline

group which had its listing sus- sary, pended ourly last week, has been Sanger anounced last week unsuccessful in its quest for new capital and is to go into voluntary liquidation.

Sanger is the latest victim of trading difficulties in the high volume low margin meat hush-ness. If has also been bit very hard by bigh interest rates and difficulties in the international meat trade.

The collapse of Gilmore, the Smithfield mest trader, was also fuctor. Gilmore ceased trailing just hefore Christines with dehts of £1.5m and owing Sanger 5400.000. Sanger's resources have been depleted in recent cears by its ventures into bulk tetelling and in the U.S. riest trade, where losses totalled £2m.

Successive made a profit of the continuing activities 1975-79—announced yes that substration loster bad neutred in the current resulted in the " not sesets helng severely

J. E. Sanger, the meat trading ate injection of capital neces- 17,63m, compared with share-

that talks, were going on with a lhird party and the group's backers about a capital injection but these discussions did ont result in any agreement. With out the new capital the bankers decided that they were unable to support the company.

Mr. James Sanger, the executive chairman, said yesterday that the company bad taken the liquidarion decision so that the company was "not to be seen Irading irresponsibly." He fell that there would be a deficieory as regards creditors. Mr. Sanger had not ruled out

the possibility that a rescue pany but the board had not been approached at this stage.

Hamhros, the group's mer-chant bank, said vesterday, that the losses shown by Sanger in the current year were "very substantial" in terms of the net asset value of £2.2m at the end of June 1979. At that date net horrowlogs were shown at joint liquidators.

holders funds of £1.97m. The group's talks have been coing on with seven hanks over the past week. These were Algemene Bank Nederland, Midland, Bank of Adelaide, Australia and New Zealand Bank, Hambros. National Westminster, and Lloyds. The third party in the talks was helieved to be Gulf Sblpping, a Geneva-based company, which has a 15 per cent stake in the company. Other large shareholders in the com-pany are the Sanger family with 15 per cent and Mr. H. M. Newton Clare, executive deputy chairman, with an 11 per ceot

The liquidation is expected to exclude certain autonomous subsidiarles particularly Sanger Australia. Sanger Paris, and Sanger Dublin. The board con-siders these able to continue to trade.

It is proposed that Mr. W. F. Ratford and Mr. C. T. E. Hayward, partners in Peal Marwick Milchell and Co be appointed

# Buoyant Bibby boosts payment as profits soar

SECOND-HALF pre-tax profits of national road haulage strike in 4.68m to £5.68m and resulted in a record figure for the fourth year in succession. in the year to December 29, 1979, profits rose once again achieving a record 15.5 per cent from £8.4m to surplus. £9.71m from turnover 12.6 per cent higher at £158m.

The final dividend is increased

from an adjusted 2.24p to 4.25p making the total 8.25p t3.2644p1. After providing for tax and extraordinary items, attributable profits of this industrial and agricultural group show a 22.7 per cent increase at 17.88m. The share of profits of associated companies amounted to £685,000 against £392,000. Tax charged was down from £1,98m to £1.59m. Divideods absorbed £1.62m £887,000) and profit relained was £6.03m (£5.43m). Stated earn-

25.790 to 32.68p. Commenting on the figures. Mr. Leslie Young, the chairman, suys the industriat group had a difficult year because of the

the early months of 1979, and the englocering workers' dispute in August. The agricultural group, however, had an excellent year.

Looking ahead, he notes that the year started with two important events to eosure the grnup's continued profitable future. In Jaouary the 60 per cenl equily in Sterilin, not already owned, was acquired and carly in March Heory Cooke Converters, which had consistently failed to achieve profil targets, was sold.

Subject to any circumstances outside the board's control, Mr. Young expressed confidence for another successful

ings per 50p share are up from

This year looks like being the converse of 1979 at Bihhy. Then the industrial division showed a £100,000 downturn in trading profits parily owing to the impact

This year, however, oils are doing better and the paper side is no longer supporting the lossmaking Clyde operation. The fond operation showed an im-

provement of almost £1.5m in 1979. The weather has been less kind this year, however, and there are over-capacity problems in both the feed and farm pro-duct sides. One honn in the current period will be Sterilin. which is now wholly owned and should contribute around 50.5m after finance charges. Over the longer term, Bibby plans to diversify further into non-agri-cultural products—aiming at a 50-50 profits split with the agri-cultural areas—and the doubtful prospects for farm revenues in the next few years make this a sound strategy. Against this hackground and with the shares

at 158p, the stated p/e of 4.7 lnoks modest and the handsome dividend cover suggests that the yield could rise above the cur-

# 21% increase pushes Johnson Cleaners over £4m mark

IN THE year ended December posal 29, 1979 Johnson Group since a Cteaners raised taxable profit by 21 per cent to £4.04m, compared sale, property of the contract of the contra

Turnover increased by 33 per tent to £35.16m (£26.53m). After tax earnings were £3.63m (£2.77ml. a rise of 31 per cent. Mr. John Crockatt, the chairman, describes the results as a landmark in the development of

At half-way the profits were £1.88m (£1.34m). A second interim dividend of 4.4p briogs the total for the year to 6.2p (3.0584p) per share. Earnings per share are 27.53p

t2t.1Spl.
The figures include earnings The figures include earnings before tax of Capital and County Laundries, which joined the group on July 5, 1978 and James Hayes and Sons, which became a subsidiary on Blarch 4 last tear. Capital and County contributed 1409.887 (£212,465 for the period to December 30, 1978) and Hayes 1154 eac.

A glance at the tax charge rehicle, reveals just how much Johnson. The froup Cleaners is investing in the expansion of its workwear rental and towel hire businesses. Overdrafts are now standing at over £6m, against £2.8tm, and the resultant rise in debt servicing costs to £650,000 has slowed the previous rate of growth, excluding income from acquisitions, to around a tenth. contal spending is by no means over. e en if the erono is forover, e en i inceremon some service saking the acquisition stalf tem-norarile, but last year's \$3.5m cash outflow should rever to a net leflow this year as the dis-

posal programme accelerates tapering off in the short term. Since a portfolio of around 1.000 That should not be too much of coolrading outlets for future a problem if rental takes up the sale, provides a useful base from stack but on a fully taxed p/e which to build the growth areas of the business. The contribution from the dominant dry-cleaning operations is not disclosed but, of the market and close lioks to

"4, the shares are currently reasonably valued at 172p, down op vesterday. The tax charge is set to remain low this year and 2 dividend is covered about 25 times by CCA earnings but the the level of discretionary spend heavy cost of borrowing arguably ing. It is a reasonable bet that procludes a swift improvement progress here is in danger of on a 5.3 per cent yield.

#### Guthrie defence against Sime Darby strengthened

BY WONG SULONG AND RAY MAUGHAN

THE DEFENCES that Guthrie strengthen its U.S. interests. Corporation is huilding against the bid which Sime Darby can reopen at the end of this ciontn were boistered vesterday by strong growth from the 80 per cont owned plantation subsidiary, Guthrie Ropel Berhad, which is

The case for Guthrie's con-tinued independence was also strengthened by Mr. Rais Yatim, which minister of the State novernment of Negri Semblian in Malaysia. Guthrie's rubber-nd oil palm plantations lie in the heart of the Negri Sembilen state and one in five people in or indicestly, by Guthrie.

Visiting one of Guthrie's chates on Monday, Mr. Yalim one that State government would

are can Sline to hold a moor-phase position in the area and re-position Gnine for the work It had done in ding to any the State's content. ... Considering the importance of CAUTIOUSLY

a new bid at the end of March, create a sounder base for future it is understood to influence 40 prosperity, per cent of Guthries equity. He explains that coution is per cent of Gulligles equity. He explains that coution is while the defence is believed to necessary hecause the general be able to count on the support economic outlook in most of the of broadly the same number of major markets in which the comshares. During the offer which Sime made hast year, Guildrie found that helders of about 7 per cent of the shares on his register encreases made by either faction.
If the same or openion of the
equity smalls "dear" in the
event of a 120 offer. Since man win 1).1 per cent of the 13 per cen, which will be expected to take an active voting part in a

with this tight margin for error in mind, Guthrie expects to launch the widely anticipated offer for the £22m City and International Trust within the

next Inctnight.
Terms of the deal have yet to be out to an extraordinary more. ing of Guthrie shareholders into the defence is experted to try to force Sime either to accept dilutinn or, by maintaioing its pro-portunize holding, to counter portunate holding, to counter the recent weakness in the Guthrie share price by making the clearest indication that it remains a bidder.

At about the same time. Guthrie will be anomoting an accepted bid which will and oct current assets at \$1.45m title0.19m). Net liquid funds showed an increase of \$2.28m title0.19m). Net liquid funds showed an increase of \$2.28m.

The AGM of the company will be held at Greenford, Middlesex, on April 2 at 10 am.

of \$300 annually. Other deals, notably a joint venture in plantation technology, are in the pipeline. Taxable profils of Guthric Enpel Berhad, jumped from M\$19.2m to \$28.9tm for 1979. The dividend is increased to

Terms have been agreed with an American company which is currently turning over in excess

25 per cent (18 per cent), with a final payment of 18 per cent per share, payable oo May S.
Tax for the year took \$11.22m
(\$7.07m) leaving a oet profit
ahead from \$12.13m to \$17.59m.

#### **Brighter** year seen by Hoover

Considering the importance of Guirric to Negri Semi-lan, the prospects for 1880, Mr. M. R. chief minister felt that Sime should consult the state before making a further bid.

Since the 27.0 per real of interruptions it can strengthen for north bid of the configuration in the market and the contraction in the contract

company s

chars to introduce in the current

pratax profits for 1979 fell by

(£754,000). At December 31 group fixed assets stood at £31.05m (£30,21m) and oct cured assets at £57.45m

gany noerates is not bright and the level of sterling reduces the eoinnetitiveness rgninst foreign manufacturers.
However, productivity improvements are being obtained and the company has new pro-

dividend total is beld at 12p, with a final payment of 6,39p net.
On a curent cost basis a taxable loss of £4.5m (£14.000) was iocurred, after adjustment for depreciation £3.6m (£3m), cost of sales £4.2m (£3.8m), monetary working capital £100,000 1£400,000, gearing £350,000 (£550,000) and interest £265,000 (£550,000)

t E50.19m). Net liquid funds showed an increase of £3.28m compared with a decrease of £12.84m.

# Standard Life funds pass the £2bn mark

ance Company passed the £2bn mark last year reaching £2.25bn on November 15, 1973—the year end of the company, compared with £1.99bn at the start of the

The report and accounts for the year show that premium nocome improved by 18 per cent from £214m to £252m, annuity considerations by a similar pro-portion from E38m to £44m and investment hierane by 21 per cent from £174m to £210m. Claims and annuit; payments were 13 per cent higher at

The company last year invested f80m in fixed-interest securilies, mostly gilts and f70m in equities. with a further £27m invested in property. Mr. Alexander Hodge. year on pre-tax revenue of in his chairman's statement. £368,636.

points out that the yields on Nel assets at the balance date good completed properties had fallen in such an extent that the company has become increasingly unwilling to buy such holdings. Instead II was concentral. (£68,548) and earnings are ing on property development, shown as 2.5p (2.24p).

THE AGGREGATE value of including the major complex of funds with Standard Life Assurfacilities at Cutler's Gardens in the City of London. Standard Life is planning to invest over £160m in this manner over the

#### Midway rise at Murray Glendevon Tst. Revenue before tax of Marray

Revenue before tax of the Glendevon Investment Trust in \$173,909 to creased from £173,909 10 £258,328 in the six months to January 31, 1980.. The interim dividend of 0.8p (0.75p) absorbs £79,290 (£73,721)

-a total of 2.1p was paid last

were up £1m at £13.35m. equiva-lent to 129p (t19.āp) per 25p

Six months' tax takes £87,803

#### DIVIDENDE UNNOUNCED

DIVIDE	11172-	W. 14144	JUNE	CV :	-5.1.
·	Current	Date	Corre-		Total
		payment	div.	Agus	Year
Bibby	4.25	~	2.24*	6.25	3.26
tv & Commercial Tst.	1.28	Maren 3	097	3.42 ·	2.03
Beers		April 25	45	72.5	65.
etile Steelsint.		May 2	2.12		7
W. Farmer			5.55	豆枝	8.34
hnson Group sec. int.		April 10	3.56	A.2 :-	5.08
nios	O PP	July 2	1.70	4.03	2.51
se Dimnne Inv.	3.451	April 30			4.6

Dividends shown pence per share net except where otherwise stated

\* Equivalent after allowing for scrip issue. f. On capital
increased by rights and/or acquisition issues. I Includes nonrecurring 0.59p from Shell. § South African reput throughout.

# Year-end fall seen at Ductile Steels

by last year's engineering strike, laxable profils of Duetile Steels tmpraved from £2.05m to £2.37m for the 26 weeks ended December 29, 1979, on turnover shead at £37,38m against £33,74m.

Mr. R. Sidaway, chairman, says, however, that because of the steel dispute most of the group's companies ceased operations by the end of January, and it is probable that profits for the full year will not match those of 1978-79—pre-tax surplus for last year was 54.71m.

First half profits were struck after interest, little changed at £317,000 (£311,000), and was subject to tax, SSAP 15 adjusted, of £900,000, compared with Mr. R. Sidaway, chairman, says,

subject in tax, SSAP 13 adjusted, of £900,000, compared with £695,000. Net profits emerged higher at £1.47m against £1.35m. The net interim dividend is unchanged at 2.1187p per 25p share—last year's final payment was 4.8813p.

With significant interests in steel re-rolling and its broad variety of customers. Ductile Steels is rather a barometer for British industry in the West Midlands. The barometer is fairly sleady at the half-way stage with Ductile managing a 1a.8 per cent pre-tax rise despite the engineering strike. This strike probably cost more than £600,000 in furfelted carnings, but seems to bave been recouped between October and December as cuslomers scrambled to restock. The next roadblock is clearly the steel strike, which shul down operations from mid-January no-

this year, suggesting a year end pre-tax level as low as £3.5m; This would point to a prospective fully taxed p/e of 8.9. The to terim dividend has been mage tained and the historic yield as 11 per cent at 93p, up 4p.

# Kynoch acts positive to

AFTER REPORTING & loss-£32,673 in the year to August 31, 1979, the board of G. and C. Kynoch, woollen cloth magnifac threr, has positive plana in restoring the company to profits buity, states Mr. G. B. Kynock the chairman, in his amount

But he adds a warning, saying: "Until increases in wage rates in Britain are matched with improved performance and praductivity rather than simply being a fuel for inflation, the manufacturing nidustry will base a difficult task to sell ibest products competitively in the

He says the company will nevertheiess, continue to strive to therease business by marketine quality products backed up with a personal approach and efficient customer service.
The engineary has been in profi

on only two necessions in the past six years—£38,000 in 1977, and £29,000 in 1978. As knuwn, no til early this week. The cost of ilividends were declared during the steel dispute, still uncertain, the last year against a total of will likely he more than £1m 2p in 1978.

#### Fertleman calls Receiver

B. FERTLEMAN, the furniture company, has asked its backers. West Yorkshire Metropolitica locall in the receivers just three months after iodicating that its trading position was on the

The sbares were suspended pended yesterday at 1642, giving the company a market value of pearly £340,000. Barclays Bank bas appointed Peat Mandal Mitchell is the Resilient and wick Mitchell as the Receiver and

In the year to March 31, 1979, Fertieman, oused in south Lon-don, oracle a loss of £537,000 before tax on sales of £3.05m. But Mr. John Swanborough, the chairman, said in December that a profit was made last September and October, and the heard hoped for a second half return to profits.

#### Yearlings unchanged

The coupon rate on this week's oatch of local authority yearing bonds is unchanged at 16; per mature March 18, 1981.

The issues are: City

The issues are: City of Kingston-upon-Hull (£1m), City of Leeds (£2m), Newark DC (£0.ām), London Borough of tslington 1£1.ām1, Derby City Council (£1m), Cambridge City Council (£0.5m), South Derby Shire DC (£0.25m), West Yorkshire DC (£0.25m), Transport shire Passeoger Transcor Executive (£0.5m), West Lanca shire DC tf0.25m). Borough o shire DC ti0.25m). Borough of South Tyneside (£1m1, Crawley BC ±10.5m). Kettering BC 1f0.5m). City of Bradford Metropolitan Council tf0.75m). Hertsmere BC (£0.75m). City of Norwich tf1m). South Bedfordshire DC (£0.5m). Borough of Llanelli (£0.35m). Rochdale Metropolitan BC (£0.5m). London Borough of Bromley [£1m], North East Derbyshire DC (20.5m), Bracknell DC (20.5m), Dunfermline DC (20.5m), Greater London Council (£2.5m), City of Dundee DC (£0.5m), Fife Regional Council (£0.5m), London

Rea Bros. profit up Following increased profits in the first half, Rea Brothers, merchant lanking group, reports profits after all charges, up from \$171,000 to \$601,000 at the end of

1979 The final dividend is 1,275p steppin, up the total from 1,652Sp to 20, payable on April is also proposed.

#### New brewer's offer for sale

A rapital raising eventise has been latinched by a new brewery company. To be based on Salishiri, Willshire.

Tisbury Brewery Company is proposing to raise £131.250 by way of an offer for subscription

of 125,000 ordinary shares of 51 mach at \$1.05 oer share. At some later date the com-pany intends to seek permission for its shares to be dealt in on the unlisted securities market of the Stock Exchange The offer has red been understriber. has not been underwritten.

	SPAIN			:
3-		Price	•	
Ε	Miniso 12	10	+ 0*	-
v.	Banco Bilbab	. 229		
	Banco Constal	254	2	
	Sanco Exterior	213		
)-	Banca Hispana	723	-2	
	Surce Ind Cat	: 25		•
f	Barco Mided	155	<b>–</b> 1· ·	
Ŀ	Banco Santander	272		:
ŧ	Earco Urougo	. 72	- <u>2</u>	
	Banco Viscova	234	- 2	
c	Ganco Zaragoza	207	-2 .	-
	Pragados	10C.5		
ď	Espanola Zinc	68	+1	
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ī	3075163	113		
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1	Diagon Floct	<i>5</i> 2 2	-08	

#### M. J. H. Nightingale & Co. Limited 27/28 Lovet Lane London EC3R 8EB Telephone 01-621 1212

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High	Low	Company	Prite	Change	Div Lpt	•	. b'
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107	63	Deborat Ord	92	-	30	5.4	16 2
100	88	Frank Horsell	100	-	79	79	67
129	160	Frederick Parker	3775.6		128	:2.8	4.6
156	167	George Blair	105		16.5	15 7	-
67	45	Jackson Group	67	-1	5.2	TΒ	3 5
173	113	James Burrough	116	~~	7 2	6.2	19.2
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87	42	Walter Alexander .	87		22	30	5 â
130	136	W. S. Yesles	:81		115	63	7.0

#### JOSEPH STOCKS & SONS (HOLDINGS) LIMITED

(Provision Merchants and Importers)

The interim dividend bas been raised from 4% to 10% payable on 3rd April, 1980 in the balf-year ended 30th September, 1979 turnover increased from \$22,315,445 to £23,242,573 and trading pro6t from £267,716 to £361,675.

After taxatino of f198,471, against £189,212, and profit of F3.043 on sale of fixed assets, against £26,341, net profit for the half-year was £186,247, against £754,845. Profit retained increased from £150,420 to £173,953, earnings per share rising from 6.2p to 7.4o.



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# Viking backs Sun offer

Sun Company, the 11th largest U.S. oil group, has emerged with a new bid for Viking Oil, the of Kenyan Asians, is believed to North Sea exploration group, which tops by £1 a share the three-week old offer from major German oil group Deminex.

Viking's board and its advisers, British Linen Bank, had agreed to the Deminex offer of 300p per share in cash plns a royalty unit based on an increasing yield as production came on

Now they have withdrawn their recommendation for Deminex in favour of Sun which is offering 400p in cash (or the equivalent in variable rate 1985 ioan notes) plus a royalty unit with terms virtually identical to that offered

by Deminex.
The board recommendation The board recommendation for Sun could, in turn, be withdrawn if a higher offer materialised. Deminex has not conceded defeat but is "considering its position" according to S. G. Warburg, its edvisers.

However, a number of share-belders controlling 30 per cent of viking, have irrevocably committed themselves to Sun's offer and this would make it difficult for Deminex or any new suitor to

Morgan Grenfell, advising Sun, owns 2 per cent of Viking in its own right and around 20 per cent is owned by funds controlled by Ivory and Sime. The board's interest amonuts to another 1

per cent.
The loan notes which are offered as an alternative to the cash element will not be quoted, but a condition of the offer is that Sun will seek Stock Exchange permission for dealings in the royalty units under either rule 163(3), which is dasigned for exploration groups, or 163(2),

the unlisted market.

Viking's shares rose by £1 in the merket yesterday to £10.12 for a market capitalisation of £24.29m.

#### NORFOLK CAPITAL SELLING HOTEL

Chrysanta, owned by a family of Kenyan Asians, is believed to be paying around £750,000 for the botel and to be involved in talks

#### Reed bids for rest of poster group

Reed International has unveiled its bid for the 52 per cent of London and Provincial Poster Group which it does not already own.

The all cash offer of 500p compares with a market price for

parea with a market price for London and Provincial of only 289p on suspension at the end of February. In terms of market capitalisation, therefore, the offer values the company at a premium of nearly 75 per cent above the market's estimate. In 1978, London end Provincial made pre-tax profits of £3.04m and in the first six months of 1979 interim profits rose from £1.2m to £1.85m.

Yesterday the Board

announced that it expected to make final profits of not less than make final profits of not less than f4.3m. On the basis of this improvement, it is recommending s second interim dividend of 10p for a total of 15p for the year. Tha current year is also said to have started well with "encouraging books" suggesting a "significant increase in profits in 1980."

The directors with edvisers. Lazard Brothers, are recommending Reed's offer as "fair and reasonable" and intend to accept. They and their families own 2.02 per cent so Reed must be already confident that it has won control, as its own holding is 48.21 per cent.

#### WINCHESTER LONDON TRUST

Final acceptances for the offer by Messrs. Jack Gardner and Montague Fisher for Winchester London Trust totalled 1.92m Following its £10m purchase of five London hotels from Grand Metropolitan, the privately-owned Chrysanta Company has now agreed to buy the Eros Hotel in Piccadilly from another business run by Mr. by Messrs. Jaek Gardner and Montague Eisher for Winchester London Trust totalled 1.92m shares (69.21 per cent). Tha offerors held 6,500 sbares before the offar was announced, and now control 69.44 per cent of the issued share capital.

## Dubilier makes move into This venture has properties near the Orange River in the Herbert district of Cape Province in South Africa. Management of American market

Dubiller, a manufecturer of passive components for the electronics industry, is expanding
into the 'U.S. for the first time
with the purchase of Flight Connector Corporation, of California,
which makes connectors for
aerospace and defence applicaions.

The pre-tax pront of right tor
\$800,000 ms sales of some \$4.5m:
net tangible assets are exceeted
to be about \$1m.

Subject to Flight achieving
certain growth targets, further
payments, totalling a maximum
of \$500,000 over two years, could

The acquisition—at a basic cost of \$2.5m (£1.13m)—will open up the American market to Dubilier's UK manufactured products and will give the group a manufacturing base in the U.S.

The connectors made by Flight The connectors made by rught are complementary to those made by Dubiller in the UK and France, but are supplied to different markets. Flight customers include many of the large U.S. eivil and military aircraft the content of the co manufacturers as well as the U.S.

Mr. R. G. Hooker, the Dubilier chairmen, said yesterday that be

Dubitier has a full time consultant in the U.S. and he is constantly on the look-out for suit able opportunities, said Mr. Hooker. He felt that unless Dubilier got into U.S. electronics it would remain second best in the industry.

Dolphin Investments has acquired 26,250 shares of Furness. Withy and Co. at 371p and 7,500

The purchase contract is conditional on an audit by Peat, Mar-wick, Mitchell, Dubilier's audi-tors, of the accounts of Flight for the year ended February 29. 1980, confirming the company's financial position.

The pre-tar profit of Flight for

of \$506,000 over two years, could become payable. In addition, loans to Flight from certain shareholders totalling some \$120,000 will be repayable dur-ing the year following comple-

In the year ended September 30, 1979, Dubilier lifted group pro-tax profits by 18 per cent to £1.31m. Mr. Hooker said that results in the current year to date were better than last year.

#### NCB PENSION/ BRITISH TAR

Mr. R. G. Hooker, the Dubilier chairmen, said yesterday that be was "very attracted" by what he had seen in the U.S. Dubilier was "very keen to get in there" and having achieved a toe-hold the group would be able to expand further.

Dibitier has a full time consultant in the U.S. and he is contained to the cont

**FURNESS WITHY** shares at \$72p making its holding 2.818,465 shares (10.52 per cent). Helix Investments has acquired 6,750 shares of Furness, Withy at 371p and 2,500 shares at 372p making holding 959,882 shares (3.58 per cent).

# De Beers pays higher final

has raised its final dividend despite a setback in its annual profits, caused by the sluggishness of the international diamond market.

cents, compared with 65 cents for 1978.

Net profits last year were R727.9m (5406m) after an extra-ordinary item, compared with R741.2m in 1978. Earnings per share were 205.7 cents against

205.5 cents. The share price, which was languishing et 420p before the dividend announcement in line with the general trend on the market, railied afterwards to close at 430p for a net loss of 20p.

Although De Beers investment income from its stake in Anglo American Corporation and individual mines showed a predictable rise last year to R311.7m from R234.1m in 1978, this was not sufficient to offset the fall in the diamond account. The diamond account in 1979

was R125.1m lower than in 1978 at R831.3m against R956.4m. Such a fall had been widely expected as the international diamond market sbsorbed price increases and regained stability after the beavy specialstion in 1977-78 when diadisposable incomes could keep monds were held in the cutting the diamond market sluggish for

De Beers Consolidated Mines rency and economic uncertain-

ties.
The 1979 sales figures for the Central Selling Organization, which markets the bulk of rough gems passing on to the inter-The South African group; the netional market, hed already inmost important single force in international diamond mining and rough gem marketing, small stones especially has been yesterday declared a final dividend of 52.5 cents (22.28p), modest improvement in recent making a total for 1979 of 72.5 weeks—while thet for larger cents compared with 1975 of 1975 of 1975 weeks—while thet for larger cents. gems, subject to investment rather than lewellery buying held firm. Latterly, however, there has been some easiness in the light of tighter financial con-

ditions.
So De Beers sold less stones last year at a time when it was maintaining capital expenditure at a high level and facing in common with all mining groups,

Ther costs. This situation has also affected the groups cash balances --R974.7m at the end of 1979 compared with R1.29bn at the end of 1978. The group has been of 1978. The group has been financing a higher level of stocks. At the same time it has used cash to participate in the Charter Consolidated-Minorco re-arrangement and to buy shares in Consolidated Gold Fields.
These transactions have built

up the value of De Beers' invest-ment portfolio and it looks as if e dividends from this portfolio are going to become increasingly important this year. High interest rates and a squeeze on

# Leichardt's hopes

sbout its diamond exploration hopes in South Africa failed yesterday to arrest the fall in the share price of Leichardt Exploration of Adelaide. The shares, a speculative counter in the Australian market, fell 60p to 345p.

Leichardt." He also referred to the "ultimate payability of this, and similar deposits in the area. Selection Trust, however, was not prepared to go beyond the commant that there are indications the area might be diamondiferous. It is quite clear that the constitution of the diamondiferous area to be done to speculative counter in the Australian market, fell 60p to 345p.
Leichardt announced that it had concluded the purchase of Mopani Exploration, a South African company, which has a 25 per cent interest in a joint exploration, a south African company, which has a 25 per cent interest in a joint exploration, against a 4 friender. ploration venture with African Selection Trust Exploration, a subsidiary of Selection Trust of

in South Africa. Management of the joint venture went to African selection Trust on January 15.

In the period between August 1, 1979 and January 14, Leichardt in 1978, it was announced yestersaid. Mopani produced 22 diamonds weighing 62.25 carats from 7,000 tonnes of bulk sampling material. The average size was 2.8 versus a stone.

AN OPTIMISTIC announcement major asset in the future of shout its diamond exploration Leichardt." He also referred to much work needs to be done to see what is there - it has to be ascertained whether there is a payable deposit," a spokesman said.

#### COSEKA SALE HELPS BRINCO

Brince, a unit of the Rie Tinto-Zinc group seeking to develop energy minerals in Canada, had net profits last year of CSIS.9m (27.3m), compared with C\$1.66m in 1978, it was announced yester-

was 2.8 carete a stone, interest in Coseka Resources. The
The company quoted Mr. R. company hed a cash balance of
Baxter-Brown, its consulting C\$55m at the end of the year. It
geologist, as saying thet the pros-"should prove to be a dend of 9.625 cents (3.7p).

#### Heron set to buy U.S. house mortgage company

After foreshadowing further governmental approvals. U.S. deals isst week, the privately-controlled Heron group now plans to lay out \$23.5m (£10.5m) cash to buy np one of Arizona's leading bouse mortgage companies in its largest ever direct corporate investigations.

It has agreed to buy Pima Savings and Loan Association from Patagonia Corporation, a bank bolding company which is required to sell off its non-bank interests under U.S. law. Pima, based in Tuscon, is the fifth largest S and L concero in

Arizona. At the end of last December it bad total assets of \$410m (£186m) and earoed net income last year of \$2.4m. The sale, marking Heron's first venture into the financial sector apart from its insurance interests in Britain, is subject to another business review by

Heron, which owns two-thirds of the quoted Heron Motor Group, is still on the look-out for other U.S. investments. It is already involved with Cana-dian Natural Resources in an oil drilling venture in seven

The deal with Pima will be the first by Heron's new holding company, Heron Inter-national, which is being set up to handle the group's growing overseas activities outside

Heron bas been looking around for suitable acquisition candidates in the U.S. for about a year and a half, and has mainly concentrated its search on the fast-growing states in the south. It is also involved in talks ebout possible new ventures in the Middle East, South America

Heron by March 25 and various and Africa.

# e beers

De Beers Consolidated Mines Limited

# **Provisional Annual Financial Statements** and Declaration of Dividend

The following are unaudited abridged versions of the consolidated financial statements for the year ended 31st December 1979, together with comparative figures for the year ended 31st December 1978, which should be read in conjunction with the subjoined notes.

4055		CONSOLIDATED BALAN			CONSOLIDATED INCOME
1978 R million	1979 R million		1978 R million	1979 R million	
		Issued share capital:	956.4	831.3	Diamond account
. 4.0	4.0	Preference shares	234.1	311.7	Interest and dividend income
2.8	2.8	Second preference shares	29.1	31.8	Other revenue
18.0	18.0	Deferred shares			Surplus on realisation of fixed
94.0			0.2	8.6	assets
24.8 214.8	24.8 271.0	Non-Statellandahla managan	(0.9)	6.8	Net surplus on investments
1 702.6	2 043.6	Non-distributable reserves	1 218.9		
		Pariousit issues	1 218.8	1 182.4	
1942.2	2 339.4				Deduct
		Less: Excess of cost of shares	29.4	38.8	Prospecting and research
		m subsidiary companies	28.6	28.1	General charges
24.8	25.4	over book value of net assets at dates of acquisition	4.5	9.1	Interest payable
- 25.0	49/4	assets at dates of acquisition	62.5	76.0	
1 917.4	2 314.0		1 156.4	1 106.4	Communicate Surface days
		Outside Interests in subsidiary	T 700'Z	1 100.2	Group profit before tax
75.4	70.1	companies			Deduct
70.8	57.0	Long-term liabilities	401.6	. 335,4	Tax
2 063.6	2 441.1		43.9	1 20-	State's share of profits under
2 000.0	2 111-1		33.0	40.7	mining leases
		Fixed assets:	445.5	376.1	
		Claims, mining interests and	89.6	20.8	Less: Loan portion of tax
94.2	104.3	property	405.9	355.3	
F1 0	-	Plant, permanent works and	750.5		A
51.2 80.2	50.6 127.3	Unlisted trade investments	750,5	751.1	Group profit after tax
0000		Oungred Praise thresottents			Deduct:
225.6	282.2		9.5	9.2	Outside interest in subsidiary companies
34.9	45.9	Stores end materials		4.2	companies
255.6	409.3	Diamend stocks			Group profit after tax before
44W W		Listed investments (see note	741.2	741.9	extraordinary item
417.7	620.2	2)			Deduct:
		lion — 1978: R817.5 million)	•		Extraordinary item (see note
76.6	- 60.6	Unlisted investments	_	14.0	1)
		(Directors' valution R325.7			C
		million - 1978: R186.6			Group net profit after tax stiributable in De Beers
69.0	103.0	million)	741.2	727.9	Consolidated Mines Limited
95.3	121.3	Loan portion of tax			
		Deferred tax and State's share	377.4		Appropriations:
	11.4	of profits (see note 1)	1.8	413.5 1.8	Transfers to reserves Preference dividends
1 294.9	974.7	Casb	1 1	1	Deferred dividends - 72.5
239.2	349.5	Other current assets			cents per share (1978: 65
- 504 4			233.9	260.9	cents)
1 534.1 645.2	1 324.2	Taran Carron to National	· 613.1	676.2	
	537.0	Less: Current liabilities			Increase in unappropriated
888.9	<b>787.2</b>	Net current assets	128.1	51.7	profit
2 063.6	2 441.1				Earnings per equity share

1. Earnings per equity share are calculated after deducting preference dividends but before deducting the extraordinary item of R14 million which represents lump sum payments of R28.9 million mada to the De Beers Pension Fund, reduced by relief from tax and State's share of profits totalling R14.9 million which is being allowed over a period of five years. R27.6 million was in respect of the samission to membership of the Fund of the Company's migrant employees who were formerly on a separate retirement allowance scheme funded annually by the company and R1.3 million was in respect of other employees and pensioners.

The increase in listed investments is lergely attributable to the acquisition of edditional shares in Anglo American Corporation of South Africa Limited and

Minerals and Resources Corporation Limited (Minorco) flowing from the restructuring of Charter Consolidated Limited and Minorco and rearrangements associated therewith, as well as the acquisition of an interest of nearly five per cent in Consolidated Gold Fields Limited. Subsequent to the year end it was announced that De Beers hed increased its interest in Consolidated Gold Fields to epproximetely 16 per cent, had secured options on a further 8.5 per cent, and proposed to offer baif of its interest to Anglo American Corporation of South Africa Limited. The options have now been exercised and tha offer accepted so that De Beers now owns 12.3 per cent of Consolidated Gold Fields and has e right of first refusal in respect of a further 0.4 per cent.

Diamond Price Increase The price of rough gem diamonds weighing more than one carat marketed by the Central Selling Organisation was increased with effect from 18th February 1980. The increase varied according to quality and size. The effect will be an overall increase in the price of diamonds sold by the Central Selling Organisation of approximately 12 per cent.

Declaration of Dividend No. 120 on the Deferred Shares

Dividend No. 120 of 52.5 cents per share (1978: 45 cents) being the final dividend for the year ended 31st December 1979, has been declared payable to the holders of deferred shares registered in the books of the Company at the close of business on 21st March 1980, and to persons presenting coupon No. 64 detached from deferred share warrants to bearer. This dividend, together with the interim dividend of 20 cents per share declared on 21st August 1979, makes a total of 72.5 cents per share for the year (1978: 65 cents). A notice regarding payment of dividends on coupon No. 64 detached from share warrants to bearer, will be published in the press by the London Secretaries of the Company on or about 14th March 1980. The deferred share transfer registers and registers of members will be closed from 22nd March 1930 to 3rd April 1930, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom transfer offices on or about 24th

April 1980. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 15th April 1980 of the rand value of their dividends (less sppropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the Company's transfer offices in Johannesburg or the United Kingdom on or before 21st March 1980.

The effective rate of non-resident shareholders' tax is The dividend is payabla subject to conditions which can be

inspected at the head office and London office of the Company and also at the Company's transfer offices in Johannesburg and the United Kingdom.

For and on behalf of the board H. F. Oppenheimer | Directors A. Wilson

Head Office: 36 Stockdale Street, Kimberley, South Africa. London Secretaries: Angin American Corporation of South Africa Limited, 40 Hulborn Viaduct, London ECIP IAI. Transfer Secretaries: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg. (P.O. Box 61051, Marshalltown, 2107) Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN248EQ.

12th March 1980

De Beers Consolidated Mines Limited

#### US \$15,000,000

#### Community Psychiatric Centers International Finance N.V.

81/2 % Convertible Subordinated Guaranteed Debentures Due 1995

Convertible into Common Stock of and Guaranteed on a Subordinated Basis as to Payment of Principal, Premium, if any, and Interest by

# **COMMUNITY PSYCHIATRIC CENTERS**

Merrill Lynch International & Co.

Dean Witter Reynolds International

Benea del Gottordo

Remen Mazionale del Lavoro

Bank Julius Ber & Co. AG

Bunk Contrade Switzerland (C.L.) Limited Banque de Paris et des Pays-Bas Banque Nationale de Paris

Arabe et Internatio (BALL) Banque de Paris Beneria Bruxalles Lombert N.V. **B.S.L Underwriters Limited** 

Robert Flaming & Co.

Crédit Lyonnais Kuwait Investment Company (S.A.K.)

J. Henry Schroder Wagg & Co.

S.G. Warburg & Co. Ltd.

Morgan Greniell & Co.

Co. Limite

# De Beers Industrial Corporation Limited

PROVISIONAL ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 1979 AND NOTICE OF DECLARATION OF DIVIDENDS

The following are unaudited abridged versions of the consolidated financial statements for the year ended 31st December 1979, together with the comparative figures for the year ended 31st December 1978.

CONSOLIDATED INCOME STATEMENT

COMMUNICATION INC	COME SIAI	This Kill A		
Trividends, interest and sundry revenue Less: General expenses		1979 R'000 18.030 173		1978 R'000 14,641 238
Profit before tax Tax		17.857 154		14.403 247
Profit after tax		17,703		14,136
Transfer to general reserve		1,000	1,300	
On preference shares	1,948		1,945	
(1978: \$2.5 cents)	15,125	18,073	11.344	14.592
Unappropriated profit 31st December 1978		861 861	<del></del>	(436 1.297
Unappropriated profit 31st December 1979		491		861
Earnings per ordinary share	114	6.6 cents	s	S.8 cen1s
CONSOLIDATED E	BALANCE S	HEET		
Lorent above applieds		1979 R'000		1978 R'000
Issued share capital: Preference shares		17-000		17.000
Ordinary shares		27,500		27.500
Non-distributable reserves Distributable reserves Current liabilities		44,500 18,520 22,836 8,704		44.500 18.520 21.861 6,363
Investments: Listed		20,792		20,792
Unlisted		29,099		29,099
Luans		32,751		36.398
Loan portion of tax		11.7.7		119 4,838
		94.560		91,246
		34.30U		91,345
DITTIN	75. D.C			

DIVIDENDS

Dividend No. 59 on the Ordinary Shares

Dividend No. 59 of 65 cents per share (1978; 45 cents) being the final dividend for the year ended 31st December 1979, has been declared payable to the holders of ordinary shares registered in the books of the Corporation at the close of business on 28th March. 1980. This dividend, logether with the Interim dividend of 45 cents per share declared on 22nd August 1979 makes a total of 110 cents per sbare for the year (1978; \$2.5 cents).

Dividend No. 72 on the 5.5 per cent Preference Shares Dividend No. 72 of 2.75 per cent, equivalent to 5.5 cents per share in respect of the six months ending 31st March 1980, has been declared payable to the bolders of 5.5 per cent preference shares registered in the books of the Corporation at the close of business

Dividend No. 7 on the 12.25 per cent cumolative redeemable Preference Shares

Dividend No. 7 at the rate of 12.25 per cent per annum, equivalent to 6,125 cents per share in respect of the six months ending 30th April 1980, has been declared payable to the holders of cumulative redeemable preference shares registered in the hooks of the Corporation at the close of business on 28th March, 1980.

For the purposes of these dividends the share transfer registers and registers of members will be closed from 29th March, 1980 to 11th April, 1980, both days inclusive.

Warrants will be posted from the Johannesburg and United Kinedom transfer offices

on or about 24th April 1980. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 15th April, 1980 of the rand value of their dividends (less appropriate taxes). Any such sharebolders may, however, elect to be paid in South African currency, provided that the request is received at the Corporabe naid in South African currency, provided tost tion's transfer offices in Johanneshurg or the United Kingdom on or hefore 28th March.

The effective rate of non-resident shareholders' tax is 15 per cent. The dividends are payable subject to conditions which can be inspected at the bead office and London office of the Corporation and also at the Corporation's transfer offices in Johanneshurg and the Uolted Kingdom.

For and on behalf of the board H. F. Oppenheimer . Directors

12th March, 1980 Head Office: 36 Stockdale Street Kimberley South Africa London Secretaries: Anglo American Corporation of South Africa Limited 40 Holborn Viaduct London ECIP 1AJ

Transfer Secretaries: Consolidated Share Registrars Limited 62 Marshall Street, Johannesburg (P.O. Box 61051, Marshalltown, 2107) Charter Consolidated Limited. P.O. Box No. 102, Charter House Park Streel, Ashford

Kent TN24 SEQ

# EKCOMOVIL-80:

#### **EVEN YEARS** BARCELONA, APRIL 26 TH TO MAY 2 ND

- All spheres connected with integrated transportation and the
- automobile industry.
- The spare parts, component parts and accesory industry.
- · Equipment for garages, work shops, casting, forging, etc.
- Bicycles, mo-peds, motor cycles, and everything connected with the manufacture and mar-
- keting of these. Lubricants and similar products connected with the automobile industry.
- e Equipment for handling and haulage of material for assembly chains, conveyor belts and transportation bands.
- Land, Sea and Air Transport, Freight and Carriage.

#### **ODD YEARS** BARCELONA APRIL 25 TH TO MAY 5 TH

- Cars.
- Lorries, commercial vehicles, industrial vehicles special transportation vehicles and car washers.
- Coaches, buses and mini-buses. · Parts, component parts, spare
- parts, and accessories.
- · Bicycles, mo-peds, motor cycles. · Garage, repair shop and service
- equipment.
- Competition section.

F.O.J.M Barcelona Recinto Ferial Montjuich Plaza de España Tel. 223 31 01 **BARCELONA-4** SPAIN

#### **UK COMPANY NEWS**

# Pentos held back to £4.08m at year-end

HIGHER interest charges and a very poor result from the publishing side married an otherwise strong performance at Pentos in 1979 and pre-tax profits showed only a small increase from £4.01m to £4.08m. Total sales from trading activi-ties amounted to £70.3m which is

helow original expectations but shows an increase of 28 per cent on the 1978 figure of £54.8m. As forecast at the time of the acquisition of Caplan Profile, the final dividend is 2.625p making a total of 4.025p compared with the previous year's equivalent 2.5125p. Staled earnings per share are 9.82p against 9.73p and

ina <b>re a</b> re 9.62p agai:		
7.87p (8.55p) fully	diluted	i.
	1979 £000	1978 £000
Publishing, book sales	27.589	23,958
Gardan and larsure	17,586	12.151
Engmooring	13,670	11,410
Construction	11,440	7.321
Total sales	70,285	54.840
Publishg, books profit	959	1,720
Garden leiaure	1,462	1,316
Engineering	1,351	1,222
Congruction	1,994	780
Total proint	S.766	S.038
Canrral expenses	25	93
Associates	25	_
Profit belore intores1	5.816	4,945
nterest	1,738	934
Profit bolore tax	4,078	4.011
Pontos tax	799	893
AasoCiutes tux	S	_
Minorities	35	13
.eaving gnives.	3,239	3,105
Extraord, debits	S24	137
Pref. dividend	3	3
Interim ordinary	498	261
Final ordinary	933	560
Described the second	1 797	2 1.44

Excluding publishing and the benefit of acquisitinns made during the year, trading profits a soles increase of 31 par cent. Tudor Garden Products was acquired in May last year and the Caplan Profile Group in August. The contribution to

#### **BOARD MEETINGS**

The following companies have notified dates of abord meetings to the Stock Exchange. Such meetings are usually held for the purcose of considering dividends. Official indications are not evellable ac to whether dividends are interims or finals and the sub-divisions shown below are based mainly on loot year's timetable.

TODAY

Interims:—Meynards. United City.

Interims:-Maynards, United City Marchants.—Maynards, United City Marchants.
Finals:—BSR. Aritannic Aosuranco. Lambert Howarth. Montlort (Knitting Mills). Thomac Robinson, Tigar Gats and Notional Milling. Turner and Nowall, H. Woodward, F W. Wool-

	FUTURE DATES	
	Interims:—	
	Brooks Bond Liebig	Mor. 18
	Eleco	Mar. 31
ı	Fairview Estates	Mar. 25
i	Falcon Minos	
	MTO (Mangula)	
•	Medminalar	
•	Waring and Gillow	
•	Wombwoll Foundry and Eng	
	Finals:	
í	aamroso	Mar. 25
ï	Alackwood Hodga	Apr. 9
;	arone Engineering	
	Cartweight (R.)	Mar. 26
:	Electrolux	Mer. 14
;	Gill and Duffue	
•	Jamesono Chocolates	
•	Loveli (G. F.)	
!	Otrex	Mar. 27
•	Pinard	Mor. 17
	Reckitt and Colman	
٠	Cause Marel	
	Sevoy Hotel	Apr. 1
•	Senior Engineering	Apr. 15
•	Spencor (Georgo)	Mer. 1a
	Tate of Leeds	
	Williams and James (Eng.)	Mar. 21

£450,000.

Interest charges amounted to \$1.74m and the £804,000 increase was due to higher interest rales and higher horrowings. Year-end horrowings were £5.5m higher than 1978 of which £2m was in respect of the consolidation of

Trading profits of publishing Penios profits resulting from and bookselling were down 44 acquisitions during the year was per cent to £959,000 with much

tbe worst performance coming from mass market children's books. Steps bave been taken to reduce the investment in stocks and to reduce overbeads, the board states.

A professional revaluation 41 the company's freehold and long leasehold properties has been uodertaken and the revaluation surplus, amounting to £1.1m, has been incorporated in the 1979

Pentos has made a reasonshle start to 1980, and for the year as a whole directors are look-ing for some recovery in publishing and for further improve-ment in other activities. The results will also reflect the first full year of Caplan.

A 2 per cent rise in pre-tax profits indicates that this has not heed the hrightest of years at Pentos. With the bistoric p/e now at 6.4 on stated earnings. the market does not look to expect much excilement in the immediate future from this ersi-while growth stock. The yield at 60p, down 1p, is now a relatively handsome 10 per cent thanks to the dividend hoost in line with the Caplan offer forecast. The diversity of Pentos' interests is matched by their diversity of performance. Construction has had a good vest with Caplan contributing perhaps f400,000 of the increased profit. The worrying area is publishing, where the upbill 6gbt to hreak even has been the main drag along with interest rates—on group profits. Retrenchment here should be relatively painless, since Pentos bas little tied up in fixed assets. Borrowings are perhaps £2m too high for comfort—reflecting the cost of

# S. W. Farmer improves 10% and confident of continued progress

DESPITE THE effects of the Co., a Yorksbire-based company As at January 31, net asset national engineering strike durwhich designs, fabricates and invalue per 25p capital share was ing the latter part of the year, stalls foundry equipment. The 129.7p t122.2p).

S. W. Farmer Group, maker of directors consider this acquisiwork, increased 1979 pre-tax bolders' approval on March 19, profits by nearly 10 per cent will enable the group to expand from £1.09m to £1.19m, on turo-over up 13.6 per cent to £13.54m.

The directors say it was not an easy period for the construc-tion industry and had the co-nomic climate been healthier the group's performance would bave reflected this.

from £503,000 to £561.000.

The current year is expected to be tough but the directors are confident that the group will conlinue to make progress.

The group entered 1980 with a good order book, but while conlineancy place in the conditions of t First-half profits had risen from £503,000 to £561,000.

tingency plans had been made for the steel strike, it is still vulnerable to the purchasing in-

tentions of overseas clients.
Yearly earnings per 25p share are shown as 25.37p (22.42p) on the basis of a full tax charge, and as 36.7p after release of stock relief. The dividend total is raised from 8.34p to 9.169p net, with a final of 6.1p. with a final of 6.1p.

Activities other than steel now account for some 25 per cent of profits and this move will continue in 1980. The new company, Farmer Cabins, is now established in London and Leeds and the directors confidently expect

to see further progress in the dend is increased to 5.95p (4.6p) sale and hire of accommodation net per 25p share with a final of units this year.

structural steelwork and plate- tion which is subject to share-

#### Growth for Rosedimond Investment

After tax of £190.415 against £182,105, revenue of Rosedimond investment Trust came out higher at £341,144 for the year ended January 31, 1980, com-pared with £275,334, giving carnings per income share up from 4.6p to 5.11p.
Gross income for the year was

£600,527 (£574,501) and the diviunits this year.

Since the year-end, the group recurring payment of 0.59p from has acquired E. A. Roper and Shell.

#### Australian subsidiary peps Tootal A DETERMINED rationalisation

programme entered by Bradmill Industries, the major clothing and textiles group, resulted in an AS13.24m tUS\$14.5m) profit for the 18 months to December writes James Forth from Sydney. For the 12 months to December, Bradmill earnings were up 41 per cent, from A\$7m to A\$9.9m. has rationalised its textile division and sold a major loss-producer. Bradmill Industries Philippines. The directors said that the profit improvement stemmed from the rationalisa-

Bradmill changed its balance date from June 30 to December 31 in line with that of its 49.9 per cent sharebolder, Tootal of the UK. The final dividend is 3.75 cents a share, making 10

cents for the 18 months, which is amply covered by earnings a share of 29 cents for the period. Despite the gain, the directors are boping for further improve-They said the return on funds of 6.2 per cent was still not very impressive. The profit for the 18 months was achieved on a turnover of A\$299m (US\$327m)

#### **PENSIONS BUSINESS**

# Continued expansion for L & G

CONTINUED GROWTH last year is reported by Legal and General tPensions Management), a member of the Legal and General Group. Total funds General Group. Total funds was down slightly 10 7.38 per cent.

The fixed interest content rose from 37.23 per cent to 49.4 per cent. while the further £17.5m being spent on development schemes. The fund inas eight projects under development.

The fund made investments from 37.23 per cent to 40.62 per last year in the U.S. and Holland. under management rose by £260m to £1.27bn at the end of 1979, with the number of client pension funds investing in the funds right from 122 pension funds. funds rising from 432 to 500.

Pensions contributions received during last year amounted to \$127m and, including investment tocome, the company invested £220m of new money for clients, compared with \$185m previously.

The mixed fund, of equities

and fixed interest stocks, improved by £110m in value to £630m, with the unit price rising by 3.a per eent

The fund manager points out that the percentage of the fund invested in UK equities was allowed to fall from 52.1 per

The fixed interest content rose from 37.23 per cent to 40.62 per cent. reflecting the substantial investment made in long-dated gilts—a total of £83m, of which £72m came from new money and film from switching out of short and medium stocks.

A net amount of £43m was invested in UK equities, and the fund invested £5m in Japanese equities.

The property fund also had a successful year, rising in value oy £141m to £557m, with the unit price advancing by 17.5 per cent. The property portfolio at end-1979 amounted to £531m and gross rental income rose from

further £17.5m being spent on development schemes. The fund has eight projects under development.

The fund made investments last year in the U.S. and Holland, the first overseas property investments by L and G.

The fixed interest fund improved in value from £40.2m to £42.6m, with a 3.2 per cent advance in unit price. But the advance in unit price. But the equity fund declined in value from £32.6m to £30.8m, despite a 7.4 per cent rise in unit price. This drop arose from transfers to other funds.

The company has been

recommending a holding of about two-lbirds mixed and one-third property for clients leaving the investment management to L and G. But over the last few months, it has been advising that all new £20m to £25m.

During the year the fund money should be invested in the acquired 17 properties in the UK involving over £50m, with a the depressed market.

# Prudential funds over £500m

TOTAL FUNDS under manage-ment of Prudential Pensions, the pensions investment management

This growth was achieved despite one major client transferring his equity and fixed interest holdings out of the company into a sister company. Prudenital Portfolio Managers.

pensions investment management company within the Prudential Assurance Company, rose by over £100m in the 12 months to December 19, 1979, from £384m to £485m, and have since passed the £500m level, reaching £527m on February 20, 1980.

This 2 rowth was achieved despite one major client transferring his equity and fixed interest holdings out of the outled and unquited equities.

Had no previous connection with the year.

The Property Fund advanced by £40m last year to £183.4m, the unit price rising 8.8 per cent. At the end of the year, the unit price jumping 20.5 per cent. At the end of the year, the unit price jumping 20.5 per cent. The fund is at present fully invested, allowing for committed cash. The portfolio of the fund, with the unit price rising 8.8 per cent of the fund, with the unit price rising 8.8 per cent. The fund is at present fully invested, allowing for committed cash. The portfolio of the fund, with the unit price rising 8.8 per cent. The fund is at present continued cash. The portfolio of the fund, with the unit price rising 8.8 per cent. The fund is at present continued cash. The fund is spread as to 53.5 per cent of the fund, with the unit price rising 8.8 per cent. The fund is at present continued cash. The fund is spread as to 53.5 per cent of the quarter of the year.

The Property Fund advanced to the unit price rising 8.8 per cent. The fund is at present continued cash. The portfolio of the value from £183.4m, the unit price jumping 20.5 per cent. The fund is at present continued cash. The portfolio of the value fully invested, allowing for committed cash. The portfolio offices, 30.9 per cent industrial and 4.3 per cent industrial per cent. The fund's UK holdings include certain small quoted and unquited equities, including Cluff Oil.

The Fixed Interest Fund rose

the 30 new clients in 1979, nine of the market over the final had no previous connection with

For those clients where the Prudential has full discretion The number of pension fund clients using Productial Pensions to £141.7m. against £138.2m, ent equities, 35 per cent fixed interest fund rose during the year to 200 with a 3.3 per cent increase in interest and 27.5 per cent (178), while contribution income unit price. The fund remained Financial Times Wednesday March 12 1980

**APPOINTMENTS** 

# Morgan Grenfell international advisory council

MORGAN GRENFELL HOLD- and Mr. D. E. Fellows, vice-INGS has expanded its advisory presidents: Mr. M. J. Burns, council which will now be treasurer; Mr. F. R. Wales and known as the international Mr. R. D. Cortey, honorary advisory council, to reflect the secretaries. advisory council, to reflect the international expansion of the group. Lord Catto, chairman of the group. Lord Catto, chairman of Morgan Grenfell Holdings, will hecome chairman of the council. Mr. J. E. H. Collins, Mr. J. Kraaijeveld van Hemert and Mr. S. Miyake join Sir Kenneth Barrington, M. Alexandre Hay, Lord O'Brien of Lothbury and Lord Taylor of Gryfe, existing members of the council. After 53 years with the group, Sir Wilfred Allit-Wood has resigned from the council but will remain an council but will remain an adviser to the company. Mr. Collins retired as chairman of Morgan Grenfell Holdings on December 31, 1979. He is chair-man of Guardian Royal Exchange Assurance. Mr. Krazijeveld van Hemert is president of the executive hoard of the Royal Bos Kahis Westminster Group NV and has various other directorships in the Netherlands. Mr. Miyake is chairman of the Tokai

Bank and president of the Nagoya Chamber of Commerce and Industry. Mr. A. Brasser, director of FOKKER'S Drechtsteden plant, will retire on July 1. Mr. F. C. Wevers, director technology of that plant, becomes full-time project-manager in charge of Fokker's technical automation administrative procedures. Mr. A. van Wijlen takes over direction at Drechtsteden on March 15. Mr. J. Cornelis bas heen appointed project manager of the Fokker F29 programme. As head of Fokker's design department he is succeeded by Pro-fessor J. G. ten Ashroek on a temporary hasis. Mr. C. P. Verwey bas joined the company as head of the department of external relations.

heen appointed managing director of HERBERT TERRY AND SONS, a member of the Barnes Group, of the U.S. He was previously with Plessey Com-pany.

Mr. Mike Holt, Mr. Gary Allen and Mr. Jack King have become senior executives of ANGLIA-FORWARDING (STRATFORD) following the recent appointment of Mr. Ian Fowlds as director.

Election of officers by the Council of the INSTITUTE OF ACTUARIES, to take effect from the close of the annual meeting on June 30, are as follows: Mr. A. R. N. Ratcliff,

EQUITY AND LAW LIFE ASSURANCE SOCIETY bas made the following appointments from March 28: Mr. P. W. Ford. assistant branch manager, Farn-ham; Mr. M. W. Mead, an assistant secretary; and Mr. A. E. Lynas, assistant hranch manager, Cardiff.

C. E. HEATH AND CO. fAVIATION) has made the following appointments: Mr. T. J. Poole, an executive director with responsibility for claims and administration; Mr. R. L. Macro, an additional director; and Mr. P. M. Spicer, an assistant director.

DAVY-LOEWY states that Mr.
Roy Tazzyman has been appointed financial director of Loewy-Robertson and he also takes over the position at Loewy-Wrightson Group.

Two appointments in London at the BANK OF MONTREAL are Mr. Alexander S. Yankovich, are Mr. Alexander S. Yankovica, as vice-president, loan syndication department; and Mr. Gordon McKechnle, project related finance officer of that department. In Toronto, Mr. Edward L. Mercaldo has been made senior vice-president, intersenior vice-president, intenational banking, Canada.

Mr. Derham C. O'Nelli has been appointed managing director of BROWN SHIPLEY FUND MANAGEMENT.

Mrs. S. M. Carter has been appointed a director of CHAP MAN AND CO. (BALHAM) and continues as secretary.

\* Mr. Fraser Murray has been
Mr. Clament J. Richards has
een appointed managing
irector of HERBERT TERRY

\*\*Mr. Fraser Murray has been
appointed deputy general man
ager of BANQUE NATIONALIA
DE PARIS LTD.

Mr. Geoffrey A. Young, Bristo area director since 1975, ha been appointed deputy regional director of NATIONAL WEST MINSTER BANK'S West End Region succeeding Mr. Eric Ratcliffe on bis retirement. Mr. W. Arthur Young is the regional executive director.

Mr. L. C. T. Coltrell is to join the Board of ESTATES PRO-PERTY INVESTMENT COM-

meeting on June 30, are as Mr. P. H. Martin has been follows: Mr. A. R. N. Rafcliff, appointed a director of the president; Mr. E. A. Johnston, SOLICITORS' LAW STAME F. B. Corby, Mr. M. H. Fleid TIONERY SOCIETY.

# Bank Hapoalim B.M.

Notice is hereby given that an Extraordinary General Meeting of the shareholders of the Bank will be held at the Head Office of the Bank, 50 Rothschild Blvd. Tel Aviv, Israel, at 12.00 pm on 2nd April 1980 for the purpose of passing special resolutions as follows:

A. To increase the authorised share capital of the Bank by creation of 2,000,000,000.-(two thousand million) ordinary shares of IL 100 (one Israeli pound) each. . .

B. To cancel the possibility of varying the rights attached to any class of shares through consent in writing.

C. To cancel the abligation to publicise notices in the UK.

Holders of share warrants to bearer of the Bank may attend the meeting and vote thereat an depositing the said warrants at the offices of the Bank not later than 12.00 pm 31st March 1980, and such warrants will be retained in custody until the remination of

Foreign residents may deposit share warrants to bearer, and owners of bearer shares in the U.K. may arrange for authorised depositories bolding share warrants to bearer on their behalf, to transfer the warrants on the same conditions as mentioned above to the London and Manchester branches of Bank Happalinn.

If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to 9th April 1980,12.00pm at the Head Office of the Bank, without any duty on behalf of the Board of Directors to give notice thereof to members. If at such adjourned meeting, within half an hour from the time appointed for the meeting, e quorum is not present, the members present shall form a quorum and may transact the business for which the meeting was called.

> By order of the Board of Directors. Gideon Eilat, Secretary

# **Major Increase in Profit**

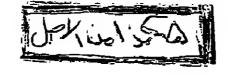
1979 £34,036,000 £43,120,000 +27% Pre-tax profits 2,806,000 4,326,000 +54% Earnings per share 10.52p 16.74p +59% Earnings per share 12.24p +50% 8.17p Dividends per share 3.71671p 4.08838p

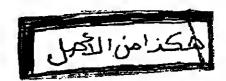
54% growth in profit

New Acquisition - Crofton Group has out-performed our expectations

65% increase in dividend paid following 1 for 2 Rights Issue

\* Further significant growth expected. this year





## CURRENCIES, MONEY and GOLD

# & £ strong

England figures, the dollar's trade-weighted index was index

Mell

acil

trade-weighted index was unchanged at \$7.4.

There was also good demand for sterling in the afternoon, following the opening of the New York market. The pound began the day at \$2.2160-22170, its lowest level, but rose to \$2.210-22220, before easing to \$2.2185-22195 at noon. By midafternoon sterling was at a peak of \$2.2320-2.2330, but declined towards the close as the dollar improved generally, to finish at \$2.2265-2.2275, a rise of 1.05 cents on the day. The pound's index, as calculated by the Bank of England, rose to 7.22 from 71.9, after standing at 72.0 at ocon and in the morning. B-MARK—Steady within the European Monetary System, but weaker against dollar following sharp upward movement in U.S. interest rates—The D-mark improved against most of its EMS partners but fell against the dollar interest rates—The D-mark improved against most of its EMS partners but fell against the dollar vas fixed at DKr 2.5475, compared with DKr 12.5475, compared with DKr 12.5220.

JAPANESE YEN — Energy provlems reflected in sharp decline last year, which after a slight panse has been renewed, resulting in a support package and heavy central bank interrectly was helped by anticipation of anti-inflation measures from support from the Bank of Japan. unchanged at 87.4.

rency was helped by anticipation reflect was nespect by anticipation of soft-inflation measures from Washiogton, but after touching DM 1.3145 in the morning lost ground on profit taking. The Belgian franc was perticularly yeak within the EMS, reflecting washington measures from washington, but after touching the dollar rose to Y247.97 from the Bank of Japan. The dollar rose to Y247.97 from Y247.72, below by news of a ground on profit taking. The Belgian franc was particularly yeak within the EMS, reflecting the wholesale prices during the within the EMS, reflecting the wholesale prices during the within the EMS, reflecting the wholesale prices during the wholesale prices are the wholesale prices and the wholesale prices are the wholesale prices are the wholesale prices during the wholesale prices are t

The dollar moved up in late sists devaluation—The franc trading, after showing a weaker remained weak, falling against treod during the early part of most currencies in the EMS plus in the day. It opened around DM to dollar sterling and the Swiss 1.8150 against the D-mark, and fell to DM 1.8050, but closed at DM 1.8020, compared with DM 1.8020, compared with DM 1.8025 previously. The U.S. curtenery also finished slightly below the best level of the day against the Swiss franc, at SwFr 1.7350, unchanged from Monday. Trading was calm with no sign of heavy intervention to support the franc by the Belgian National Bank has been estimated at BFr 20bn, including around BFr 1.5bn last Friday. The rise to 12 per cent in the bank rate two weeks ago bas had little impact, and speculation continues about a possible devaluation of the franc FRENCH FRANC.—Showing further strength around the top of ther strength around the top of EMS.—The franc was firm within the EMS, roughly level with the

slight pause has been renewed resulting in a support package and heavy central bank intervention—The yen showed little change in moderate Tokyo trading without any apparen

·	ECU central rates	Eurrency amounts against ECU March 11	% change from central rate	% change adjusted for divergence	Divergente
Groun Franc .	39.7897	40.8222	+2.09	+ 1.52	±1.63
Prnisij Klono German <b>O-Ma</b> rk	7.72336	7,80979 2,50137	+1.12 +0.78	+0.55	±1.64
French Franc	5.84700	5.85336	+0.11	-0.46	±1.125 ±1,3557
Cuien Guilder .	2.74362	2.74729	+0.13	-0.44	±1.612
Lrish Punt	Q.568201.	0.677834	+1,44	+0.87	±1.688
hahan lara	1157.79	1163,20	+0.47	+0.41	±4,08

#### THE DOLLAR SPOT AND FORWARD

March 11	Day's apread	Ciosa	One month		. Three months	p.
UKt	2.2160-2 2330	2.2285-1.2775	0.05c pm-0.05 dis		0.27-0.37dia	-0.5
mlandf	2.0370-2.0430	2.0370-2.0400	0.15-0.05c pm		0,30-0,40dls	-0.6
Canado	1.1638-1.1658	1.1638-1.1641	0.44-0.39c pm	4.27	1.07-0,97 pm	
NethInd.	1,5840-1,9867	1.9843-1.9853	1.22-1.15c pm		3.33-3.23 pm	
Belgium	29.35-29.421	29.38-29.40	6-4c pm		20-17 pm	2.5
Denmark	5.6470-5.6500	5,8485-5,8500			3.25-3.75dis	-2.4
W. Got.	1.8050-1.8150	1.8115-1.8125	1.53-1.43pf pm		4.18-4,08 pm	9.1
ortugal	48,92-49.02	48.93-49.03		-1.96	10-40 dis	-2.0
Spain	67.60-67.73	67.65-57.70	40-60c dia	-8,27	110-735 dis	-7.2
taly	840.50-841.25	840,75-841.05			3-3.75 dis	-1.6
Morway	5.0030-5.0080	5.0030-5.0040	2,00-1 50ors pm		5.05-5.55 pm	
rence	4.2280-4.2435	4.2355-4.2370	1.52-1,42c.pm		4.35-4.15 pm	
weden	4,2780-4,2890	4.2760-4.2770	1.60-1.40ors pm		7.60-7.40 pm	
арап	248.00-247.55	247.05-247.10	1,05-0.90y pm		2.80-2.65 pm	
Austrio	12.931-12.949	12.531-12.936	10.00-9.40ero pra		30.50-28,50p	
witz.	1.7250-1.7360	1.7345-1.7355	2.00-1_90c pm		5,11-5.01 pm	
+ LIK	and Ireland a	re minted in U	S. currency. For	ward	premiume an	d

discounts	apply	10	the	U.S.	dollar	and	not	19	the	Individuel	CUITOns
				_				-	_	A 514/4	-

March 15	Day's opread	Close	One month	7. p.s.	Three months	p.:
u.s.	2.2180-2.2330	2.2265-2.2275	0.05c pm-0.05 dis	~	0.27-0,37dia	-0.5
Canado	2.5800-2.8000	2.5925-2.5935	1.05-0.95c pm	4.63	2.05-1.90 pm	3.0
Washind.	4.40-4.44	4.421-4.431-	3-2c pm	6.77	7-6 pm	6.
lelgiam	65.15-65.56	65.40-65.60	15-5c pm		35-25 pm	1.1
enmark	12.53-12.62	12.69-12.60	15-25ors dis		81-10 dis	-2
mland	1.0865-1.0930	1.0919-1.0920	0.03p pm-per	0.16	0.04 pm-par	0.
V. Ger.	4.001,-4.05	4.033-4.043	374-27 pm pm	10.03	9-85 pm	8.
ortage	108,70-109,70	109.10-109.30	par-30c-die	-1.65	30-105 dis	-2
pain	149.90-101.05	150,50-150.60	60-1004 dia	-0.38	215-270 dis	-6.
taly	1865-1877	1874-1875		-0.98	10%-12% dis	-2
Orvvey	11.10-11.18	11,143-11,153	73.73om pm		11½-10 pm	3.
rance	9.39-9.46	9.447-9.457	314-214c pm	4.13	812-712 pm	3.
wedon	B.501-2.551	8.52-8.53	4-2% ore pm		114-10 pm	4.3
epan	547-555	550-551	2.25-1.95y pm		5.75-6.40 pm	
aatria	28.70-28.90	28.78-28.43	26-20gra pm		70-60 pm	3.1
witz.	3.83-3.872	3.86-3.67 ~	41-31-c pm	12.81	11 2-102 bur	11.
ac Si	algian rate is l a-month /orwa	or convertible nd dollar 0.22-4	fmnes Financial 0.32c dia 12-mon	franc in the O.1	87.40-57.50. 5-0.05c pm.	

CURI	REN	CY RA	TES	CURRENCY MOVEMEN				
Mar. 10	Bank rate	Special Drawing Rights	Europeen Currency Unit	Mar. 11	Bank of England Index	Morgen Guaranty ohanges		
Sterling U.B. \$ Canadian \$ Can	13 14 54 18 10 7 9 15 15 7 14 9 10 9 10 15 15 10 10 10 10 10 10 10 10 10 10 10 10 10	0.583091 1.39104 1.59367 Unavaii 07.8113 7.27855 2.32968 2.55497 0.45871 1082.54 320,049 6.48036 87.1994	0.624898 1.36507 1,60710 17.8674 40.5826 7.31458 2.50144 2.73981 5.85180 1101.36 343,470 6.93713 93.5610 6.83393 2.39298	Sterling U.S. dollar Canadism döllar Austrian schilling Selgian franc Danish kronsr Danish kronsr Davische mark Swiss franc Guilder French franc Lira Yen Based on trade wit Washington agreen (Bank of England	87.4 156.0 114.4 107.2 155.8 122.1 180.0 100.9 54.3 110.0 ighted ch	mber, 1971		

OTHER	CURRENCIES

Mar. 11	£	•		Note Rates
Argentina Peso	Z821-3841	1715-1722	Austria	28.65-28.90
Australia Dollar	2.0290-2.0300	0.9180-0.9120	Belglum	67,85-07,80
Brazil Gruzelro	103,64-104.54	45.09-40,80	Conmark	12,47.12.54
Finland Markka	8.46-8.47	3.8115-3.8135	France	9.04-B.40
Grock Drachma.	87,482-89,564	39,45-89,60	O empany	4.0012.4.03
Hong Kong Pollar		4.8700-4.9730	ftaly	1850-1900
Iran Rial	піа	n/a	Japan	548 053
Kuwait Dinar(KD)	0.608-0.018	0.9757-0.2758	Netherlands	4.394.4.48
Luxembourg Fro.	B5.40-65.50	29.38.29.40	Norway	11.09-11.16
Malaysia Dollar		8.8030.2.2030	Portugal	105-112
New Zealand Dir.		1.0385.1.0395	Spain.	145-10314
Saudi Arab. Rival.	7.37.7.47	3,3380.3,0430	Sweden	9.40-9.55
Singapore Dollar.		9.1900.3 1970	Switzerland	0.8314-3.851e
Sth. African Rand		0.8080.0.8088	United States	2,218-2,224
U.A.E. Dirham	2.25-8.25	3.7406-8.7455	Yugaslavia	004-5B

					-	
Bate	given	for	Argentina	le	free	rate

EXCHANGE C	ROSS RAT	ATES						•		
Mar. 11	PoundStarling	U.S. Dollar	Deutschern'k	Japan'seYen	FrenchFranc	Swiss Franc	DutchGuild'r	Italian Lira	:Canade Doller	Belgian Franc
Pound Storling U.S. Pollar	0.449	2.227	4,038 1,813	550.5 247.2	9.450 4.243	3.865 1.756	4,430 1,989	1875. 841.7	2,583 1,164	65,45 29,39
Deutschemark Japanese Yan 1,000	D,248 1,817	0,559 4,045	7.534	136,8 1000.	2.341 17.17	0.957 7,091	1.097 8.047	464,3 8405.	0.642 4,710	16.21 118,9
French Franc 10 Swiss Franc	1.068 0.259	2,367 0,570	4,272 1.045	588.6 142.4	10.	4.090	4,688 1.146	1984 485.0	3.744 0.671	. 69.26 16.85
Dutch Guilder Italian Lira, 1,000	0.226	. 0.505 1,188	0.911 2.154	124.3 980.7	2,133 5.041	0.872 8,068	2,362	425.1 1000.	0,585 1,585	14.77 84.92
Canadian Dollar Belgian Franc 100	0.586 1.528	0,858 5,403	1.557 : 6.109	812,3 841,1	8.644 14.44	1.491 0.905	1,708 6.769	722.9 9854.	3,963	25.24 100,

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EURO-CURRENCY INTEREST RATES ... The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.60-17.70 per cent; three-months 18.15-18.25 per cent; one year 17.15-17.25 per cent; one year 17.15-17.25 per cent; one

Mar. 11	Sterling	U.S.Dollar	Ganadian Dollar	Butch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian 8	Japanese Yen
tShort term	1056-1679 1778-1759 1778-1818 1836-1859 1819-1854 1754-18	1014-1614 1014-1012 1756-1778 1874-1875 1874-1875 1714-1715	81g-91g - 21g-91g - 1834-1310 1414-1455 145g-15 145g-10	101g-103g 103g-104g 103g-104g 103g-111g 111g-124 123g-185g 125g-131g	5-514 466-472 014-046 046-534 613-512 856-634	7(2-713 778-8 813-875 914-938 913-912 934-918	1878-1018 13-1314 13-1314 13-14-1314 14-1418 13-16-1014 16-16-15-16	181-141- 10-18 181-1914 20-21 80-21 21-32	163,-16,2 173,-173, 16,2 185, 18,1-10,3 17,2-17;	8-10 111: 121: 13-13:4 13-13:4 15:4-14 15:4-15:1 18:4-1210

Long-term Eurodollar two years 16-16% per cent; three years 16-15% per cent; low years 15-15% per cent; five years 142-14% per cent; nominal closing rates. Short-term mites are call for sterling, U.S. dollors. Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

#### INTERNATIONAL MONEY MARKET:

# Belgian rates up

timo four-mooth bond fuod paper was raised to 15.70 per cent from 15.25 per cent. Treasury bill rates have now risen four times in the past two weeks, and yesterday's rise increased terday's rise increased speculation that the official dis-

count rate would be increased at 10-day's weekly central bank meeting. Within the EMS, the Belgian franc remained the weakest currency and required continued central bank support to remain within its maximum permitted

Deposit rates for the Belgian franc continued to climb yester-day, with one-month deposits touching 151-151 per cent against 155-1510 per cent, and three-month rising to 151-161 per cent from 151-157 per cent.

In Paris call money rose above Monday's five and a half year peak of 13 per cent to 13 per number of corporation, as liquidity remained from the discount extremely tight in the money banks. The help we market. Period rates were also three bouses at ML arrived to the second of the second

	• •
MONEY RATES	
NEW YORK Prime Rate	174-18
Treasury Bills (13-week)	15 <sup>7</sup> + 15 <sup>1</sup> - 15.34 14.90
GERMANY	7
Overnight Rate One month Three menths Six months	9.15
FRANCE Oissount Rate	9.5
Overnight Rate One month Three months Six months	
JAPAN  Oiscount Rate	7.25 0.8

## **Further fall**

The Belgian National Bank 141-141 per cent, up from 14-141 Gold contioued to weaken in

The Belgian National Bank amounced further rises in Troasury bill rates yesterday, the second such move this month, to counter the continued weak ness of the Belgian franc within the Enropean Monatary System. One-month bills have been in creased by 0.1 per cent to 15.35 highest of any bank in per cent, and two and three-months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months by 0.2 per cent to a uniform 15.7 per cent. At the same of the second such months are cent and 12 per cent. The four the London bultion market yes the London bulti In Paris the 124 kHo gold bar

banks bave rates between 12 per		1 3005-300. DM	33,000 10000	previousiy.
cent and 121 per cent. The four major local banks bowever, have	. i	Mar. 11	. м	lar. 10
kept thoir rates at 104 por cent		Gold Buillon (fine o	UNCS	
for the time being.	Close	(£254-8501) (£2501:-263) (£256,278)	1583-588 1605-010 1602	£263-2054 £272-2744, £271,135
UK MONEY MARKET	Afternoon fixing \$570.25	£233.740	0585	£283.386
C-mall		Gold Coins		
Small	Krugerrand5569-573 Mapleloaf5665-070	(£25512-2571) (£2001a-20811)	\$587.590 \$585.090	1£2541g-2651gr
help	New Sovereigns	(£74-70) (£74-78)	\$149-151 \$178-174 \$172-174 \$142-145 \$758 743 \$570-580 \$730-735	, £57-69, ,£771 <sub>8</sub> -791 <sub>2</sub> , ,£771 <sub>2</sub> -791 <sub>7</sub> ,
Bank of England Minimum Lending Rate 17 per cent	\$10 Eagles			

Day to day credit remained io short supply in the London money marked yesterday, and the authorities gave assistance on a small scale. This comprised small purchases of Treasury bills and a small number of corporation bills, both from the discount bensed and banks. The help was made up with small lending to two or three bouses at MLR for repay-	Lending Rate 17 per cent	Số Eagles	
	(since November 15, 1979) Day to day credit remained to short supply in the London money market yesterday, and the authorities gave assistance on a small scale. This comprised small purchases of Treasury bills and a small number of corporation bills, both from the discount bonsee and with small lending to two or	olightly below target, and there was a small net take up of Treasury bills to finacce. Funds were also drained by the unwinding of a previous sale and repurchase agreement of a moderate number of eligible bank bills.  Discount bouses were paying	per cent and 161 per of the interbank market, of loans opened at 161-171 and eased to 161-181 in before coming back to it cont around noon. Ra oased to 161-161 per cen rising to 17-171 per cen close.  Rates in the table be

ces oalances were taken between 161 per cent and 161 per cent. In the interbank market, overnight loans opened at 161-171 per cent. and eased to 161-181 per cent before coming back to 164-17 per cont ground noon. Rates then oased to 16-16; per cent before rising to 17-17 | per cent at red Rates in the table below a

#### LONDON MONEY RATES

COMPON	SEL WILL									
Mer. 11 1580	Starling Certificate of doposit	Interbank	Local Authority deposits	Local Auth. nogotiable bonds	Finance House Deposits	Company Doposits	Discount market deposits	Treasury	Eligible - Sank Bills o	Fine Trade Billa 9
Overnight	17,3 17;4 17;4 17;4 17;4 17;6	175-17% 175-17% 175-17% 176-18 171-174, 161-184	1758-1778 1734-18 1778-18 1778-1814 1738-1712 1654-17 1014-1034	191 <sub>4</sub> .19 187 <sub>8</sub> .185 <sub>8</sub> 186 <sub>9</sub> .186 <sub>8</sub>	1818 1814 1814 1888 1712 1718	17:1838	16 <sup>3</sup> 4-10 <sup>7</sup> 6 16 <sup>3</sup> 4-10 <sup>7</sup> 6 16 <sup>3</sup> 6-10 <sup>3</sup> 4 10 <sup>1</sup> 4-10 <sup>3</sup> 6	15. 16.	18 18 18 17 17 18 17 18 10 18 18 18 18 18 18 18 18 18 18 18 18 18	185g 181g 177g 151g

Local authorities and finance houses seven days' notice, others seven days fixed. "Long-term local authority mangated committely three years 15½-15½ per cent. four years 15½-15½ per cent. The per cent. The bank bill rates table are buying rates for prime paper. Suying mitted for four month bank bills 17½ per cent. four-month trade bills are buying rates for prime paper. 17% per cent: two-manths 15<sup>13</sup> per cent.

Approximate ealing rates for one-month Trasaury bills 15<sup>13</sup> per cent: two-manths 15<sup>13</sup> per cent tras-menths 165 per cent.

Approximate ealing rates for one-month Trasaury bills 15<sup>13</sup> per cent: two-manths 15<sup>13</sup> per cent tras-menths 165 per cent.

17° per cent and three months 17° per cent.

17° per cent and three months 17° per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from Merch 1, 1960. Clearing Bank Rates for lending 17 per cent. Treesur Bills: Average tender rates of discount 15.1211 per cent.

# London Clearing Banks' balances

as at February 20, 1980

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the hanking sector.

Tablo 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

	AGGREGATE BALANCES	Tot	d	Cha	nge of	. [					outsta £m	nding £m	£m	onth Fi	m
		OUTSTAN	ding	17	with	- 1	Bills:				AAN	-111		-	
ĺ	LIABILITIES	£m	Em	£m	2	#2		v hills			459		+ 39		
%	e deposits:	7.936		- 96		- 1	Other I	dΠs			913		+ 16		
.2.	UK banking sector	33,584		-395		- 1						1,372		+	5
.57		578		+ 60		- 1	Special d	eposits	with B	ank of					
.04 87	UK public sector Overseas residents	3,642		<b>– 11</b>		ı	England					102		+	76
83.	Certificates of deposit	2,028		+ 209		- 1	Investmen								
.90	CELITICATES OF MOROSIC		47,767	1 200	-5	233	British	Govern	ment ste	eks	1,242		-464		
.67	of which: Sight		18,756			658	Other			,	1,579		- 42	_	
	Time (inc. CD's)		29,010		+4	125			•			2,821		-5	06
44	Foreign currency deposits:					- 1	Advances:								
44888G	UK hanking sector	6,330		-279		- 1			ctor		25,985		+ 137		
39	Other UK residents	1.270		+ 75		- 1			or		444		-124		
57		15,949		+668		J	Oversea	s resid	ents	••••	3,251	29.680	+ 15	+ :	40
80.	Certificates of deposit	1,320		+ 9			Other stee	-11				6,711		<b>⊤</b> _5	
.00			24,870			72	Other ster					0,711		3	
- }	Total deposits		72,637			40	Foreign cur								
- 1	Other Uabilities*		10,905		-6	900			liscount r	nevict	5.561		+ 13		
- 1	MANAY TIANTITUDE		83,545		-3	en			deposit		182		+ 10		
أم	TOTAL LIABILITIES		GD-DZ-J						arbest.		10.717		+ 79		
s		_				-1	Juli					16,459		+10	03
- [	ASSETS					Į	Bills					26		_	9
y	Sterling					ŀ	Advances:								
*	Cash and balances with Bank of							ate sec	tor		1.886		+114		
-1	England		1,403		-	55			tor		873		<del>-</del> 5		
	Market loans:		_,		-				nts		5,062		+152		
	Discount market	2,569 ·		+ 36		1						7,821		+20	
1	UK banks	0,621		+101		- 1	Other fore	eign cu	rrency a	ssets*		1,289		- 3	<b>30</b>
	Certificates of deposit	1,478		+213		- 1						00.545		-	=
1	Local anthorities	877		- 9		- 1		TOT.	AL ASSI	TS		83,545		-36	W
- 1	Other	315	15,861	- 48	12	02						1,138		+18	~
ı	· · · · · · · · · · · · · · · · · · ·		TOPOL		12	30 1	Acceptances		•			1,130		-1-12	30
٠ſ			* Inche	des iter	as in	SUST	ense and in	transi	t.						
m				,											
77 /	<del></del>														_
ļ											NATT	ONAL	WILL	ABIS.	æ
13	TABLE 2 INDIVIDUAL GROUPS	- 7	TOTAL	7	ARC	LAY	S LLO	YDS	MIDI	AND	WESTM		GLY		_
J	OF BANKS' BALANCES		Char	190		Chang	10	Change		Change		Change	_	Chang	18
-1		Di	it- or		out- nding	Off	Out-	01)	Out- standing	on	Out- etanding	en month	Standing	mont	4
1			-				_				_				
1	LIABILITIES	£m			m	£m		£m	£m	£m	£m	£m	£m	£m	-
~ I	Total deposits	72,6	37 +2	40 20,	012	+38	9 14,191	-273	14,478	+246	21,876	-128	2,081	+	5
1.	ASSETS														
11	Cash and balances with Bank of					_									
1	England	1.40	13 -	55	428	- 2	4 243	- 38	305	<b>— 13</b>	386	+ 28	41	-	g
1		4		•••	220	_		-	545		-				-
1	Market loans:							- 100	0.000	1 405	6 000	_440	495	+ 2	-
1	UK banks and discount market	18,75			051	+37		-199	2,970	+405	6,260	<b>-448</b>			_
3	Other	13,56	9 +2	45 3,		+ 8		+ 29	2,134	- 34	3,692	+163	331	+	
1	Bills	1,39	8 + 4	66	329	+ 7	137	+ 10	443	- 36	450	- 2	38	+ ;	3
1	British Government stocks	1.24	2 -4	34	229	-113	3 138	-109	417	- 90	380	-137	78	- 1	5
1	Advances	37,50				+ 70		+ 31	8.392	+ 74	10,889	+110	1.182	+ 4	4
1	Auvances	01,00	1 1 40	roy.	سدر	, ,,	o opero	, 42	Oppus		2-1002	,	.,		-
٠ [ -	<u> </u>														-
1	ABLE 3. CREDIT CONTROL														
i	INFORMATION														
1	(Parent banks only)														
E	ligible liabilities	29,88	7 -32	3 9,3	103	-170	4,842	<b>— 62</b>	6.752	-114	7,991	+ 43	998	<b>—</b> 30	,

1,196

12.9

3.831

12.8 + 0.1

Ran	king	fior	1700
E	MARK	1126	# C2

Reserve ratio (%) .....

Reserve assets

(as table 4 in Bank of England Quarterly Bulletin) ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS. AND SPECIAL DEPOSITS

I—Banks		
	Feb. 20, 1980 £m	Change on month £m
Elleible liabilities		
UK banks		
London clearing banks Scottisb clearing banks Northern Ireland banks Accepting bouses Other	30,055 3,267 2,124 2,279 7,095	-323 + 56 + 35 + 9 -113
Overseas hanks Amorican banks Japanese banks Other overseas hanks	4,751 359 3,623	+140 9 +143
Consertiem banks	335	+ 13
Total eligible liabilities	52,889	- 48
Reserve assets IN banks Loodon clearing banks Scotlish clearing banks	3,860 422	- 1 - 6

Northern Ireland banks ..... Accepting bouses .....

Other	943	- 27	by parchase on the market.
Overseas fianks		- 2	Amount outstanding: FF 75,000,000.
American hanks	626	- 2	The Principal Paying Agent,
Japaneso banks	. 51	- 5	I DE BANQUE
Japaneso banks Other overseas banks	529	+ 17	10, Av. E. Røuter. LUXEMBOURG.
Consortium banks		+ 3	LUXEMBUUNG.
Total reserve assets	6.965	- 1g	TOKYO TRUST S.A.
2000 100010 10000			NOTICE OF ANNIAL GENERAL
			NOTICE IS HEREBY GIVEN that the
Constitution of total reserve assets			eleventh Annual General Meeting of the Company will be held at Hotel Bristol.
Balances with Bank of England	574	- 37	Vienna, Austria, on 11th April, 1980 at
Maney at eall-		2.5	and the Audited Accounts for the year
Discouot market	3,553	- 39 - 24	declare a dividend.
Other	247	- 24	John Renyl, Mr. Bernard Gadd and
UK, Northern Ireland Treasury Bills	905	+104	NOTICE OF ANNIAL GENERAL MEETING NOTICE IS HEREBY GIVEN that the eleventh Annual General Mecting of the Company with be held at Hotel Bristol. Vienna, Austria, on 11th April, 1980 at 12 noon for the Idlinwing ourposes:— 1. To receive the report of the Oirectors and the Audited Accounts for the year onded \$150 Occomber, 1979, and to Complim the nagolimment of Mr. John Renyl, Mr. Bernard Gadd and Mr. Hubert Grosperrin, as Oirectors of the Company, and its their remunera- tion.
Other hills:			3. To acthorise the Oirectom to as the
Local authority	174	+ 3	remuneration of the auditors.  1.4. To transact any other ordinary business.
Commercial	979	+ 23	3. To apphorise the Oirectom to Ex the remuneration of the auditors. 4. To transact any other ordinary business at the Campany, Order of the Doard.
Brilish Government stocks with one year			BANQUE OF PARIS ET DES
or less to final maturity	532	- 50	Secretaries.
Other		_	NOTES:— 1. A member entitled to retend and vote
		<del>- 18</del>	at the mertino is catitled to species one or more proxies to attend and vote instead of him. A proxy need
Total reservo assets	6,965	- 18	I Ont also be a member.
		_	Z. The quoram for the meeting is two shareholders present in person or by
Ratios %			3. Each of the resolations set act above may be assed by a single majority of
			the votes cast thereon at the meeting.
UK banks	100		Copies of the 1979 Report and Accounts
London clearing banks	12.8 12.9	+ 0.1 - 0.04	Copies of the 1979 Report and Accounts are available or the administrative branch office of Tokya Trust S.A. at 19, Avaiue O'Ostende, Monte, Carlo, Monace,
	14.1	- U.U4	UKO INTERNATIONAL LIMITED
Northern Ireland banks	14.0	- 0.1	
Accepting houses	13.3	- 0.1 - 0.2	NOTICE IS HEREAY GIVEN that the Pecord Date and Time for preparation of
Other	13.4	- 0.2	the Debenture Interest savment due on
Overseas banks			the Debenture loterest asymetr due on 31st March 1980, is Monday, 17th March 1990 at 5.30 o.m.
American banks	13.2	- 0.4	By Order at the Rosont
Japanese Denks	14 <del>.2</del>	-11	J. F. GITTUS, Secretary.
Other overseas banks	14.6	- 0.1	
Consortium banks	16.9	+ 0.1	
Combined ratio	13.2	_	CENTEVA
Commined Table	10 <u>.</u>		

re Ratios %		
be UK banks London clearing banks Scottish clearing banks Northern Ireland banks Accepting houses Other	12.8 12.9 14.1 14.0 13.3	+ 0.1 - 0.04 - 0.1 - 0.2
Overseas banks American banks Japanese benks Other overseas banks	13.2 14.2 14.6	- 6.4 - 1.1 - 6.1
Consortium banks	16.9	+ 0.1
Combined ratio	13.2	=
	£m	£m
N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to	140	- 59
Tance bouses Eligiblo liabilities Reserve assets Ratio (%)	496 50.4 10.1	+ 34 + 1.5 - 0.5
Special doposits at Fobruary 20 were ni banks and nil (unchanged) for finance houses. eligible liabilities wero £35,882m (up £453m).		

#### COMPANY NOTICES

611 . - 4

889

+ 24

# TOKYO SANYO ELECTRIC COMPANY LTD. The understaned samounces that as from 24th March. 1960 at Kns Associatic N.V. Sgutstraat 172. Amsteroam and Banque Genérale do Luxembouro. div.Ond. 7 'accompanied by an "Amdavit" of the CDRs Tokyo Samyo Electric Co. Lix. will be asyable with \$1,37 net per COR repr. 100 sha and with \$13.70 net per COR repr. 100 sha and with \$13.70 net per COR. repr. 100 sha and with \$13.70 net per COR. repr. 100 sha and Yen Soc. = \$2.40 per COR. repr. 100 sha and Yen Soc. = \$2.40 per COR. repr. 100 sha and Yen Soc. = \$2.40 per COR. repr. 100 sha and Yen Soc. = \$3.20 per COR. repr. 100 sha and Yen Soc. = Sam. ITT. 1980. ITT. 1980. COMPANY N.V.

7.50% 1972/1987

RHONE - POULENC Loan of FF 100,000,000 We inform the bondholders that the April 15, 1980, repayment instalment of FF 5,000,000 had been made by parchase on the market.

Amount outstanding: FF 75,000,000.

London FC2V 508.

Solicitors for the eard Company.

THE COMPANIES ACTS 7948 to 1967
ELECTRICAL CONTRACTO AND
FINE ARTS LIMITED

NOTICE 15 HERERY GIVEN that the
Creditors of the above-nemed Company
ore required on or before the 17th doy
of April 1980, to sand their names and
addresses and the particulars of their
dobts or claims, and the names and
addresses and the particulars of their
dobts or claims, end the names and
addresses and the particulars of their
dobts or claims, end the names and
oddresses of their Relicitors, if eny, to
PHILIP MONJACK, FCA,
of 3/4 Bentinck Street,
London WIA 38A,
the Liquidator of the acid Company,
and, if eo required by notice in writing
from the said Liquidator, are by their
Solicitors, or permonolly, to come in and
prove their axid debts or claims at such
time and olace as chall be specified in
sach nonce, or in default thereof they
will be excluded from the benefit of
any distribution made before such debts
are proved.

Dated this 6th dov of Morch 1980,
P. MONJACK, FCA, Liquidotor.

TELCER (UK) LIMITED

NOTICE 15 HERERY GIVEN paraust

+ 3

**LEGAL NOTICES** 

No. 004DE3 of 1979
In the HIGH COURT DF JUSTICE Chancery Civision. Mr. Justice Cillon. In the Matter of PYE DF CAMBRIDGE LIMITED end in the Metter of THE COMPANIES ACT. 1948.

NOTICE IS HEREBY CIVEN that the Order of the High Coart of Jastice. Chancery Division, deted the 3rd day of Match 1980 aentsioning a Scheme of Arrangement and confirming the Reduction of the Confirming the Reduction of the Confirming the Reduction of the Confirming to the School of the Company in the Minate approved by the Count showing with respect to the Share Capital of the Company as altered the several perticulars required by the Above Act were registered by the Registrar of Compenies on the 7th day of March 1980.

Oeted the 7th day of March 1980.

SLAUGHTER AND MAY, of 3 Basinghalf Street, London EC2V SC8.
Solicitors for the eard Company,

THE COMPANIES ACTS 1948 to 1967

1,007

TELCER (UK) LIMITED

NOTICE IS HEREBY GIVEN parauent
to Section 23 of the Companies Act
1948, that a Meeting of the Creditors of
Talcer (UK) Limited, will be held of . TOKYO TRUST S.A. NOTICE OF ANNUAL GENERAL

MEETING
NOTICE IS HEREBY GIVEN that the
leventh Annual General Mecting of the
ompany will be held at Hotel Bristol.
renna, Austria, on II th April, 1980 at
2 noon for the Iollowing curposes:—
To receive the report of the Oirectors
and the Audited Accounts for the year
coiled 31st Oecomber, 1979, and to
bectare a dividend.
To the Company, and any of the Company, and the Audited Accounts of the Year
of the Company, and extended and
Nor. Hubert Grosperrin, as Oirectors of
the Company, and extender commercation.
To rephysica the Classica. Talcer (UK) Limited, will be about the offices of LFONARD CURTIS & CO., situated at 3/4 Bendrick Street, London W1A 38A, on Friday the Ziet day of Morch 1980, at 12 o clock midday, for the parposes crovided for in Sociona 294 and 295, Oated the 6th day of Merch 1980, O. DAVIS, Oirector.

TO WHOM IT MAY CONCERN TO WHOM IT MAY CONCERN
Mr. Paul Annealey Mehon and Mr.
Shey Joseph Boland ara no longar
emolowed by the Etin Foode Oivision.
Insh Sugar Co., Ltd.
Any oatetanding linancial or commercial matters should be doalt with
through the comonny's socretary.
Further trading anguiries should be
addressed to Mr. J. P. H. O'Really.
Ganerol Managor, Erin Foode Oivision.
Signod,
M. C. SHEEHY.
Menaoing Oiroctor. NOTES:—

1. A member entitled to intend and vote at the meeting is callifed to specify one or more prostes to affend and vote instead of him. A proxy need out also be a member.

2. The quoram for the meeting is two shareboiders present in person or by account.

arouse, the resolutions set act above may be assed by a single inaliantly of the voice cast thereon at the meeting. Copies of the 1979 Report and Account are available at the administrative branch office of Tokya Trust S.A. at 19, Avalue O'Ostende, Monte-Carlo, Monaco. Menaging Ciroctor, Irish Sugar Company, St. Stephen's Green House,

TRAVEL

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tarial services • Formatioo, domiciliation and administration of Swiss and foreign companies ull confidence & discretion assured BUSINESS AGVISORY SERVICES 3 ruo Pierre-Fatio, 12004 Geneve Tel: 36 05 40 - Telea: 23342

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Camper & Micholson Yacht Agenty,
16 Resency Street, London, SWIP 4DD,
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#### PUBLIC NOTICE

LSCAL AUTHORITY SILLS
10.5.20 at 10.11.64. Table 10.5.20 due
10.5.20 at 10.11.64. Table 10.5.20 due
15.31. Total 015 £12M.
M. B. WIRRAL E2M ISSUED today does
11.5.80; £1M at 15.17.654. E-M at
15.14. E-M at 15.17.654. E-M at
apars, £16.24. Table 10.5 £2M.

THE R Japan's month prompti another giżconu few day price in from Ja rose 2 increase a 3.9 pe 1974, dt At 127.2 cent his (1975 s that w bave g reflected sumer months. modity

the ecor While Govern Slo at

dis By Que PROGR: internat guarrill West A the Rho of Sou Five African to proc gress" of a cu UN-sup Instea agreed t demilit: Namlbi: whethe South after victory

Africa (SWAP in Nan more re The port to African Angola, A senio leaving in the i some p West Town, v that the will be result ' Howe suspicio merely establis hacked Alliane to SWA

By OL Corre A POS Africa's over th the Pri bave be Dr. ideolog hard-lir Mr. Bot race to schools issued 1 Dr. In the Transva appeal mceting Ministe Mr. insist : from 1 today.

= 爱 لايعياد

RESOURCES SHARES SALE ...

# Kaiser attracts a wide audience

BY IAN HARGREAVES IN NEW YORK

OFFER Resources, the Vancouver-hased natural resources company, to buy 9m of its own shares for oversubscribed.

shares, and would therefore Steel, the Californian integrated porate purposes. steelmaker which wanted to sell

Albertans' Investment in

and ownership of their energy

and petrochemical industries,

and the Canada Development Corporation, which the Trudeau

hy Kaiser its entire bolding in Kaiser ever since Mr. Edgar Kaiser was the major Japanese steel com-17 per cent stake.

This stake. amounting to 4.5m C\$44 each has been greatly shares, could now be sold to pany entirely. British Columbia Resources The company says that it Investment in a deal which received sale offers for 18.7m would be worth around C\$200m.

purchase 48 per cent of the that it still wants to sell its shares tendered by each share-holder. This means that Kaiser provide cash for unspecified cor-There bas been speculation to open talks with Nippon KK. of U.S.\$484m.

whose chief interests are in coal Kaiser Steel has made it clear following the sale last month of most of its oil and gas activities pany's plact. to Dome Petroleum for C\$700m.

Resources, will still have a near elected chairman of the steel pany, on the sale of some Kaiser company last August that his in- assets to the Japanese. Kaiser tention was to liquidate the com- Resources has had a long connection with Nippon KK as a COOPERS AND LYBRAND, supplier of cosl. but the pro-Mr. Kaiser is also head of the supplier of coal, but the pro-Vancouver resources company, posed asset sale came to nothing following a Japanese survey of the condition of the stael com-

> Kaiser steel operations lost One of Mr. Kaiser's first moves U.S.\$39m last year. Kaiser as chairman of Kaiser Steel was Resources U.S.\$61.7m on sales

... AND A POSSIBLE PURCHASER

# BCRIC begins to flex its muscles

BY ROBERT GIBBENS IN MONTREAL

BRITISH COLUMBIA Re- Government set up nearly a Montreal-based pulp and paper trolled by the Kaiser family ources Investment Corporation decade ago with the intention and building materials concern, interests in the U.S. In effect, (BCRIC), which was designed by the British Columbia Governcorporations in the natural resources and manufacturing ment of William Bennett to fields. The latter's major holdtake over forest and energy ing is one-third of Texasgulf, the U.S.-based minerals giant holdings acquired by the previous Barrett New Democrat with major interests in Canada. government, is beginning to flex its muscles.

BCRIC's cash bas grown to nearly C\$600m, and the com-pany has bought the Canadian Pacific Group's 13.4 per cent holding in Canada's largest Mr. Bennett, British Columbia's premier, last year used BCRIC in its other role of encouraging investment by the forest products group, MacMillan Bloedel. based in Vancouver, fur near C\$100m. BCRIC will people of the province in their own industry, and proceeded with a giveaway of BCRIC prohably also pick up a further I per cent of MacMillan's stock sbares to resideots, and a share sale which raised nearly from Canadian Pacific Pension C\$500m in new mooey—far Funds, and it is thought that it may seek further blocks to more than was ever expected. The company is still partly-owned by the Government, and bring its total stake to about. 20 per cent. This would be the largest single holding, and has some similarities with the Alberta Energy Corporation, which was designed to encour-

ago, Premier Bennett stepped subsidiary to Dome Petroleum to pursue "other alteroatives lnto a bidding war between Macfor several hundred millinn up our sleeve," as Mr. Helliwell Millan, Domtar, the major dollars. It is currently con-

would constitute effective con-

decade ago with the intention and building materials concern. of building up Canadian-owned and the Canadian Pacific group. CP had held its MacMillan block for around 10 years, and wanted to protect its interest. In the main in British Columbia, and the status quo was restored.

Canadian Pacific expects to make a profit of about C\$ 17m on the sale of its important holding in MacMillan. The future of certain longstanding links in the sea transport field is not clear. It would cost BCRIC some-

to get its MacMillan stake up to around 20 per cent. Mr. David Helliwell, BCRIC's president, also raised the possibility of the company taking a major stake in Kaiser Resources, the major coal producer in the west which re-Not much more than a year cently sold out its Canadian oil

BCRIC took an option to buy a 24 per cent interest in Kaiser Resources, for 45 days, costing around CS 100m. But after end, Mr. Bennett declared that criticism that be was building control of MacMillan should re up a "giant mutual fund." he suggested last weekend that he

might not take up the option. The Kaiser deal, critics have suggested, would give BCRIC only the second largest holding in the company, and a consor tium of Japanese steel mills. who are the main customers for Kaiser's coal, would end up having about 40 per cent and effective control. The critics where around CS 150m in all also charged that BCRIC is proposing to pay much too bigh a premium over market price The outcome is not yet clear.

but if the Kaiser deal is dropped BCRIC will still have hetween C\$400m and C\$450m available in cash, with its borrowing powers undisturbed, to pursue "other alteroatives

#### Record earnings for Wal-Mart CanPac profit amended

By Robert Gibbens In Montreal quarter profits are reported by CANADIAN PACIFIC has revised its profit for 1979 to C\$ 508.1m or C\$ 7.06 s share for 1979, against a preliminary un-audited figure of C\$511m or C\$ 7.11 a share released a month

This reduction, says the com-oany, reflects the accrual of deferred income 10 a container shipping operation. The decision mas based on an aniysia com-pleted after the preliminary

The 1979 figures compared with C\$ 349.8m or C\$ 4.85 a share in 1978.

BY OUR FINANCIAL STAFF SHARPLY HIGHER fourth the Life method reduced net Missouri, Arkansas and Oklaquarter profits are reported by income in 1979 by \$9.21m or homa, is planning further

Wal-Mart Stores, the rapidly by 47.7 per cent, from last year's corresponding \$10.9m to \$16.1m, or from 71 cents to \$1.05 a share. Sales over the same period rose 36 per cent from \$307m to \$417.2m.

This hrings net earnings for the fiscal year ended January 31 last to a record \$41.15m or \$2.61 a share, almost 40 per cent up on 1978's \$29.45m or \$1.93m a share. Amnual revenues iocreased by 39 per cent, from \$900.3m to \$1.25bn.

60 cents a share, compared with

broad range of general mer-

homa, is planning further major expansion. Mr. Sam Walton, chairman, said the expanding chain of discount \$4.21m or 28 cents Walton, chairman, said the stores. Net earnings increased Wal-Mart, which sells a company is to open around 50 new Wal-Marts and continue Its chandise in 11 states with renovation remodelling pro-heaviest concentration in gramme for its older stores.

MGM explains spin-off

ocreased by 39 per cent. from posed spin-off of the shares of name at the time of the spin-off 1900.3m to \$1.25bn. posed spin-off of the shares of name at the time of the spin-off 1900.3m to \$1.25bn. to MGM Grand Hotels.

The costing of stocks under separate company. The new AP-DJ

CULVER CITY - Metro- company will be called Metro-Goldwyn-Mayer, the films, TV Goldwyn-Mayer Film Company, and motels group, plans to hold a special shareholders' meeting on May 30 to act on the pro- MGM which would change its

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#### PAKISTAN INTERNATIONAL AIRLINES **CORPORATION**

U.S. \$50,000,000 ARCHAPTFINANCING

THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN FOR AND ON BEHALF OF THE ISLAMIC REPUBLIC OF PAKISTAN

CITICORP INTERNATIONAL GROUP

ARAB BANK FOR INVESTMENT AND FOREIGN TRADE ABU DHABI

NATIONAL WESTMINSTER BANK GROUP AL BAHRAIN ARAB AFRICAN BANK (E.C.) "ALBAAB"

CITIBANK, N.A.

ARAB BANK FOR INVESTMENT AND FOREIGN TRADE ABU DHABI

ALGEMENE BANK NEDERLAND N.V.

BANK AL-JAZIRA

FIRST PENNSYLVANIA BANK N.A.

NATIONAL BANK OF PAKISTAN

INTERNATIONAL WESTMINSTER BANK LIMITED

al bahrain arab african bank (e.c.)

BAHRAIN INVESTMENT COMPANY B.S.C.

EUROPEAN ARAB BANK GROUP

INTERNATIONAL RESOURCES AND FINANCE BANK S.A.

THE RIGGS NATIONAL BANK OF WASHINGTON D.C.

CITICORP INTERNATIONAL BANK LIMITED

MARCH 7, 1981

#### Strong advance by **Coopers** & Lybrand

By Our New York Staff

accounting firms, saw earnings incresse by almost 16 per cent to \$172m last year. Growth was strongest outside ha U.S. and worldwide sales were up 18 per cent to \$711m. In the past five years. Coopers bas experienced adverage annual sales growth of 17 per cent.

90-country operation last year with new associations with firms in the Philippines and West Germany. This growth was partly offset by the reduction in strongest outside the U.S. and from member to correspondent. Foreign revenues were up by 21 per cent last yesr. compared with U.S. growth of 16 per cent. About 70 per cent of the revenues come from accounting and auditing, with a further 18 per cent from tax services and 12 per cent from management

consulting.
At the close of last year Coopers had a payroll of over 23,000, including 1,830 partners, compared with 1,760 partners at the end of 1978.

#### CAPITAL MARKETS

#### Widespread gains in Eurobonds

By Peter Montagnon

INTERNATIONAL BOND markets had their hest day for several weeks yesterday, with gains reported in all three major currency sectors.

Dollar Eurobonds posted average rises of about point, although some issues advanced by well over one point as the market continued to anticipate a strong anti-inflation package in the U.S.

Dealers noted that liquidity

is hullding up in the dollar sector, while the market is also underpinned at the moment by the strength of the U.S. currency on foreign exchanges. The slight decline in Eurodeposit rates yesterday may also have helped, but trading remained hasically professional, with fund managers still apparently pre ferring high yield short-term investments.

While the market generally welcomes the period of con solidation that is now emerging there is also some concern that too much anticipatory huving ahead of the U.S. package could simply lead to renewed declines if the measures taken turn out to be less far-reaching than is

In the Deutsche-Mark sector, prices rose by an average in heavy trading as good quality names, vielding nearly 10 per cent in some cases sttracied interest. However, most participants agreed that this was likely to he fairly shortlived. The interest rate dif-ferential with dollars would need to fall by at least a full percentage point to keep the market from falling further.

In the Swiss franc sector, prices also rose by an average point. Trading volume was described as moderate.

#### Czechoslovakia seeks loan

By Our Euromarkets Staff CZECHOSLOVAKIA has heen bolding "intensive discussions with Western banks in recent weeks with a view to raising a medium-term credit for the Czecboslovak Trade Bank according to bankers in Vienna However, no firm decisions on amount and terms have yet been taken. Indeed, with Libor rates at record levels and the question mark over lending to Eastern Europe still posed by the Soviet incursion into Afgbanistan: some banks have recommended delaying award of a mandate until market settles down.

A particular indicator in thia respect will be progress of the \$250m seven-year credit for the Hungarian National Bank now being arranged by Manufacturers Hanover. The mandate for this loan

was awarded three weeks ago and the management group is still not yet formed, although it is understood details could be finalised within a few days. The loan carries a spread of

point over U.S. prime rate for the first five years, rising to ? point thereafter. A number of Euromarket hankers commented that such terms seemed very fine, even for a highly rated East Europe borrower such as Hungary.

More time is still needed to gauge how correctly the loan was priced, however, and only then will it in turn be possible to set realistic conditions for Czechoslovakia.

For their part the Czechs could vary the amount they horrow in accordance with the terms offered. If the terms are judged very favourable, the amount could be as much as \$250m, though the higher the spread, the smaller the likely

the moment hankers in Other Eurocentres are talking in terms of a credit of some Finland 6.8 \$150m over eight years.

# Republic Airlines bids for Howard Hughes carrier

loss of \$21.6m on sales of \$312m.

Minneapolis, earned \$13.1m on

sales of \$609m last year, although it lost money in the

final quarter when traffic started

based

BY OUR NEW YORK STAFF

REPUBLIC AIRLINES, one of the largest regional carriers in the U.S., is attempting to huy Hughes Airwest, the airline owned by the Howard Hughes organisation.

No details were offered of the negotiations by either side, but if it goes through the deal will take Republic into the big league of U.S. airlines with revenues in excess of \$1hn. Analysts believe the value of the transaction would be about

The company expanded its \$100m, but it is difficult to make an estimate because of the secrecy which surrounds the financial affairs of the San Francisco-hased Airwest, which is one of the companies held hy to decline. the Summa Corporation on behalf of the Hughes estate.

Republic,

The reorganisation of the ment terms. Both carriers by Hughes business activities since the death of the recluse militaries. Both carriers by House and McDonnell Both and McDonnell Both and McDonnell Both Carriers by Both Carri bean and is attempting to make Airwest has been profitable every year since Mr. Hughes acquired it in 1970, with the pean market with its application for the hotly contested Miamiexception of last year when a 61-day strike dragged it into a London route Treated National on its merger with Pan

American. Republic fixelf was the product of a merger last year he tween North Central Airlines and Southern Airways. B blamed its final quarter loss last The merger appears to make year on non-recurring costs assosense in geographic and equip- ciated with the merger.

# Progress in IBM suit talks

Department and International towards an agreement over pro-cedural rules to govern negotiations aimed at settling the 11- in the procedural negotiations, year-old suti-trust suit against If it is achieved, the Justice

Mr. Benjamin Civiletti, the with a few months of beginning

AFTER SEVERAL months of U.S. Attorney General has told serious talks on the merits of negotiations; the U.S. Justice Reuters in an interview that the case, it should be able to Department and International "We bave about come to a satisform a judgment about whether Business Machines (IBM) the factory resolution of the ground an out of court settlement; world's leading computer manu-rules on which discussion of the possible facturer, appear to be moving merits of the case can begin." The This is the first indication of views are typical of the progress towards a hreakthrough

The Justice Department's

optimism which the department ia exuding on the possibility of settling the case it has brought which seeks the break-up of

# AT & T and Wyly in settlement

Department is suggesting that

BY OUR NEW YORK CORRESPONDENT

outstanding anti-trust com transmission services. plaints against it, American ment with Wyly Corporation

Telephone and Telegraph has last month that AT & T had next decade. reached an out of court agreeof the major anti-trust cases over allegations that AT & T brought against it. In an out of bad monopolised the data trans-court settlement with Intermission service market anti- national Telephone and Teletrust laws by instituting un- graph, AT & T opened up the claims.

in A further move to settle reasonably low rates for their possibility of purchasing up to The move follows the news equipment from ITT over the . Under the terms of its settlement with Wyly: AT & T has

agreed to make a payment of \$50m in return for the agreeto dismiss anti-trust

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month, Closing prices on March 11

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Canada 33 PO	200	833 84' +03 -24 8.71
Cenade 33 89	300	815, 821, ÷01, -21, 6.30
CCCE 5% 90	100	967 967 +04 +04 6.21
Copenhogon 42 91	60	81 82 -04 -47 6.87
Council of Eur. 5 89	100	343 847 0 -03 7.26
E18 43 91	100	79% 80% -0% -5% 7.13
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l Inf-Amer. Hev. 44, 89	100	76% 76% +0% -2% 8.17
Jutland Tele. 51, 90	50	914 924 -04 -04 6.62
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Nordic Benk 5 89	45	84 841 +03 -32 7.38
Norges Kemm. 4% 91	100	797 804 0 -2 6.92
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Stoweg 43 91	60	821 831 -01 -13 6.94
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Werld Bank 45, 89	100	52
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YEN STRAIGHTS Bid Offer day week Yield 82½ 83¾ 00½ -1½ 11.57 75½ 78¾ 00¾ -5½ 11.05 85½ 88‰ 0 -2½ 70.17 81¾ 82½ -1¾ -2 11.84 79 80 -0½ -1 10.89 Austrolia 5.8 83

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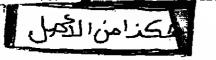
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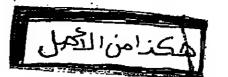
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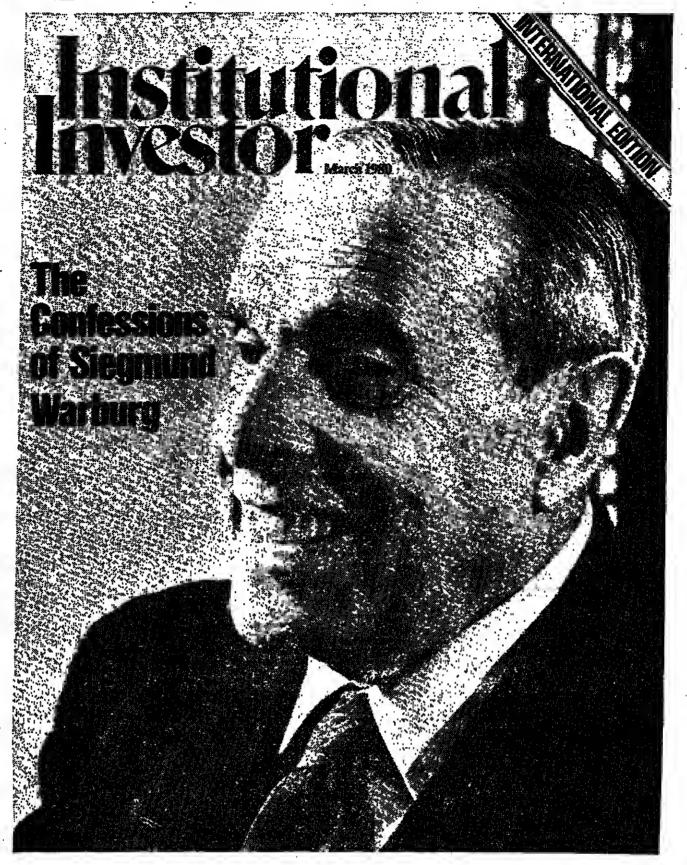




Tier

Hieme

# For 77 years he said "no!"



Generations of journalists have chased the legendary Sir Siegmund Warburg, hoping to get an interview with him like the one that appears in the current issue of Institutional Investor. But Warburg, who in the postwar years built from scratch the great merchant bank that bears his name, turned them all down.

# Until Institutional Investor asked

The result: This month's wide-ranging and provocative interview. Based upon 18 hours of interviewing, it's been edited down to 19,000 words that covers 23 pages in the March issue of Institutional Investor. Here, Warburg looks back on his career, reflects on the ingredients that made his bank so successful, comments on the current scene in politics and the banking world-and assesses himself, his weaknesses and his mistakes as well as his accomplishments.

Why did Sir Siegmund agree to be interviewed by Institutional Investor?

Because, he says, of "my admiration for Institutional Investor and the way in which it makes a special attempt to emphasize the human elements in the whole world of finance."

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Five

African

# **Profits at Swedish** paper groups more than doubled

BY VICTOR KAYFETZ IN STOCKHOLM

TWO SWEDISH forest product groups. Stora Kopparberg and Holmens Bruk, report 1979 prehad forecast at the eight-month stage and more than double their profit levels in 1978. Both are raising their dividends.

Stora Kopparberg, which also has large hydroelectric power interests, raised its group pre-tax profit from SKr 144m in 1978 to SKr 430m (\$101m) last year, with improved earnings in all sectors except forestry. The interim forecast had been

The Board proposes a dividend of SKr 11 a share, up from SKr 8.50, an unusually large increase in Swedish terms. Group sales rose by 25 per

cent to SKr 3.72hn (\$871ml. Of 1979 turnover, 8 per cent was companies attrihutable acquired during the year, 6 per cent represented higher volume and the rest resulted from which unrealised exchange dif-successive price increases, ferences on long-term foreign Stora says in its preliminary deht and the costs of issuing

report. securities are considered unau-Profitability for market pulp cial items, not extraordinary and for hoard products never- items. Stora provides no forecast for SKr 22m in stock gains.

1980 but writes: "At year-end Net group profit after

theless remained unsatisfactory. there was continued good priations and tax was SKr 28m, demand and a strong market up from SKr 22m, Holmen proposition. Capacity utilisation at all the company's factories was by products and no forecast.

Norway bank results vary

BY FAY GJESTER IN OSLO TWO LEADING Norwegian shortly have published sharply differing results for 1979.

Christiania Bank og Kreditof Norway's two largest banks when it merges in May with Andresens Bank, is paying a dividend of 12 pcr cent—the maximum permitted by present Norwegian rules—compared with 11 per cent for 1978.

Andresens, in contrast, is passing its dividend for the second year running after the need to make provisions that substantially exceed the year's gross profits. write-offs on the the Christiania's 1979 accounts at about NKr 100m.

were the best in the bank's

After appropriations and tax

Stora's 1979 net profit was

Holmen, which is Europe's

largest newsprint manufacturer and makes magazine paper,

raised its consolidated pre-tax

profit from SKr 44m in 1978 to SKr 111m (\$26m), beating the

October forecast of SKr 95 to SKr 105m. The proposed divi-

dend is SKr 8.50 a share, up

per cent to SKr 2.07bn (\$486m), with an unchanged 68 per cent

going for export. Paper produc-

tion was 11 per cent bigher than in 1978, at 824,000 tonnes. mar-

ginally above last autumn's fore-

Holmen's 1978 profit, pre-

viously reported as SKR 58m.

has been adjusted downward to

changes effective from 1979, hy

Net group profit after appro-

conform

Group sales increased by 17

SKr 81m, against SKr 60m.

Net profits rose to 2m (\$18.8m) up NKr 36.9m on the year earlier. DM 3.0bn, an increase of 11.2 bank this year. But it does not see quite such good results as Versand is expanding its last year, because of the Govern-Interests beyond West Germany ment's tight credit policies.

Andresens reports loss writesome NKr 30m of interest due hut not paid last year. Gross profits, at NKr 73m were SHIPPING IN WEST GERMANY

# State guarantees credit for DDG Hansa

Hansa, one of the country's leading shipping groups, out of problems in a move that underto keep alive the hard-pressed shipping industry with a system of discreet subsidies and guaran-

The company said yesterday that the Government had agreed to guarantee a DM 30m (\$17m) credit providing that the group carried through its proposed financial restructuring. The city state of Bremen is also considering a loan guarantee.

ment of a big rescue plan for the company: a six-to-one writesome of its current financial down in capital from DM 60m to DM 10m and a subsequent lines Bonn's continuing efforts injection of DM 30m of new

> The company does not anticipate difficulties with the new capital injection and two of the group's main shareholders-Deutsche Bank and Mnenchener Rueckversicherung-are understood to have agreed to put up the bulk of the necessary money.

with the announcement that city states of Bremen and

stores interests, which bave

ither been integrated into the

Karstadt network, closed down or sold. Apart from its mail-

order business, the group has also kept its travel and pre-

No profit figures are yet avail-

able for 1979, but the manage-

ment hopes that the much

slimmer group can again he profitable in 1980 after several years of less making marked by

The Schickedanz group, which owns the Quelle mail-order

Credit Lyonnais deal

group to acquire a controlling

interest in its subsidiary, Union Fonciere et Financiere (UFFI).

no dividend payments.

fabricated housing Interests.

year on top of last year's balance participating in the financial sheet loss of DM 27m.

Hansa has more than 60 vesbit by four interlocking crises: the Iranian revolution; the weakness of the dollar against the DM; rising fuel costs; and the trough in the shipping market.

The Government's particular interest in Hansa stems partly The pressing need for action from the 2,500 johs at stake was emphasised again yesterday in the Social Democrat-controlled

Downturn

rescue plan.

But the move also reflects sels and was strongly dependent Bonn's view that the shipyards on routes to the Gulf. That and the ship owners should be meant that the group has been given some support during the present crisis, if only to ensure that the industry is in a positioo to respond effectively when there is (as anticipated) an upturn in demand in the mid-1980s.

> The current aid plan for the yards includes Federal and State subsidies of DW 660m, embrac- Deutsche ing an average 10 per cent sub- outgoings while income is based sidy on the value of each ship on an eroded dollar.

THE WEST GERMAN Govern- The Government pledge Hansa's first-quarter losses would Hamburg. Both the Bremen ship nrder in 1979 and 1980, ment is prepared to help DDG follows the recent amounce- probably reach DM 23m this and Hamburg Landesbanks are Ship owners, meanwhile, have worth 1.5 per cent of the book value of their ressels and up to DM 550m for help with liquidity.

The ship owners have generally been dissatisfied with that level of assistance. They complain of unsatisfactory freight rates, undercutting by East European operators on some routes, higher running costs because of the oil price rise and traditional dilemma of Mark-denominated

own Bearer shares, which with a market value of about

SwFr 40m, will be placed with

After the re-structuring, the Baer family will still control

more than 85 per cent of voting

rights. A long-term agreement guarantees that the family will

retain rontrol over the bank

despite further capital increases

or the introduction of participa-

Swiss study to be the most profitable in Europe, recorded

net profits last year of SwFr 10.4m. Earnings from

The hank, claimed in a recent

friends and clients."

tion certificates.

The fund is raising its cash dividend to Fl 9 from Fl 8 a share on capital increased by a stock dividend

from liquid assets.

The value of Robeco shares rose by F1 4 to F1 167 in the rose by FI \$ 10 FI 100 in ing-year and subsequently to FI 174.50 by the end of February, when the annual report was prepared. Total net assets fell to FI 4.1bn (\$2.05bn) from the 1978 total of FI 4.2bn

Increased

dividend

Robeco

By Charles Batchelor

planned by

NET PROFIT of Robeco, the

Dutch investment fund the

11 per cent to F1 228m (\$114m)

in 1979. Much of the increase was due to high interest rates; which led to a rise in income

The stock distribution led to the issue of \$22,000 shares, but Robeco was a net repurchaser of 1.9m shares no the stock exchange, taking total shares on issue to 24.8m at the end of the year.

Shareholders earned 10.8 per cent on their investment, taking into account price appreciation and cash and stock dividends. Robeco stepped up its small interest in UK stocks to 2.5 per cent of total net assets last

year-on the basis of what is seen as better prospects for the UK in the longer term and greater confidence in sterling.

#### Irish cement group ahead

Cement-Roadstone, the Irish huilding materials group with important interests in the UK; has lifted 1979 profits by s third to Irish £24.1m before tax and is raising its dividend to 13.7p from 11.8p a share. Domestic deliveries

cement rose hy almost 18 per cent in weight last year, while turnover for the group as a whole went up by 49 per cent to Irish £258.3m. December group deht as a proportion of sharebolders' funds was 23 per cent against 41 per cent a year earlier

# Sales expand at Otto Versand mail order

BY KEVIN DONE IN FRANKFURT

OTTO VERSAND. West Quelle have raised prices by Germany's second largest mailonly some 2 per cent against an order group, increased its sales inflation rate running above 5 by 12.B per cent to DM 3.6hn per cent. Neckermann, the smallest of

last year (\$2.0bn). It thus ontpaced its main rivals, Quelle, the biggest mail-order group in Western Europe, and Neckermann, which is now owned by Karstadt, West Germany's leading retail store

The 1979 earnings included concern. mail-order husiness showed a general growth in West Germany last year of some per cent, marginally less than the 6.5 per cent expansion seen in the overall retail trade. The large department stores fared less well than the mail-order companies, with sales increasing last year below the average at

only 43 per cent. Versand group's mail order husiness succeeded in up hoosting aales last year to The board expects satisfact per cent, while its small sub-sales last month of DM 9.25hn. sidiary. Schwah. showed a 92 per cent sales rise to DM 532m.

and has opened a mail-order subsidiary in Holland. Its first offs of NKr 95.2m, including catalogue was launched on the some NKr 30m of interest due. Dutch market for the autumnspring season 1979-1980.

In common with its main rival, Versand has managed to bold its average price levels in NKr 7m up on a year earlier.

Managing director Gustav ter

Jung estimates future likely
write-offs on the bank's debts

rate of general retail price is a property development comloflation. Both Versand and pany.

for Skis Rossignol By Our Financial Staff

SKIS ROSSIGNOL, the French sports goods manufacturer, expects profits for the year endthe leading mail-order houses. ing March 31 to he less than the still recovering from the fundamental re-structuring that FFr 25.2m net posted for 1978followed its takeover by 79. Rossignol partly blames the mild winter, particularly in the It has now lost all its hig U.S.

Also affecting the 1979-30 results is the weakness of the dollar, reduced profit margins on sales of skis in France, and lower than expected sales of tennis equipment in the U.S. Costs incurred in getting new subsidiaries and activities off the ground have also heen an

adverse factor. Rossingol said it sales of skis would total close to 2m pairs in 1979-80, an increase of 11.5 per cent on the previous 12 months. The company said it had attained its objectives in various

other fields. Sales of skis would remain at about the 2m-pair level for 1980-81. It added that in view Credit Lyonnais, one of of the current high level of France's hig three nationised stocks in North America. banks, has reached a protocol measures have been taken lo agreement for a Lebanese reduce production in its U.S. and Canadian factories.

In addition, the improved productivity of the French plants will mean that, if production is Lyonnais plans to retain a one- to be adapted to decreased third interest in UFFI, which demand, "these plants will have to close down for several days hetween April and July."

#### Restructured Baer plans outside shareholders BY JOHN WICKS IN ZURICH

BANK JULIUS BAER, the 90- Also the family has undertaken year-old family-owned Swiss to dispose of 25 per cent of its hank, is to take on a few outside shareholders.

As part of a corporate re-structuring, the existing family bolding company will take over the group bolding company and itself assume the latter's name. Baer Holding AG. The capital of the new holding company will increase to a maximum SwFr 26.45m (\$13.8m) and a share issue, at conditions yet to he decided, will then take place to raise about SwFr 20m of new

The Baer family will be excluded from drawing rights, the SwFr 10.4m. Earnings from issue being intended to estab-lish "an initially limited in metal trading jumped from bouse market" for the stock. SwFr 9.9m to SwFr 14.05m.

German order for KWU

WEST GERMANY'S leading will enter service by 1988. OHU power station builder. Kraft is also the site of Bavaria's werk Union (KWU), is set to only currently operating nuclear gain its first domestic order for plant, KK-1, run on the hoiling nuclear power plant for more water reactor principle. than four years. The supervisory hoard of Siemens subsidiary, returned to

Bayernwerk, the Bayaria; utility, has decided to give Bavarias profit last year despite troubles in Iran and the continuing KWU the main contract for con- absence of domestic nuclear, structing a 1,200mw pressurised orders. One chief difficulty bar water reactor, KKI-2, at Obu, long been the lack of a firm national plan for nuclear waste It is hoped that the plant, disposal, but there are signs of

eastern Bayaria. expected to cost about DM 4hn, an early solution.

"I didn't see the point in consulting

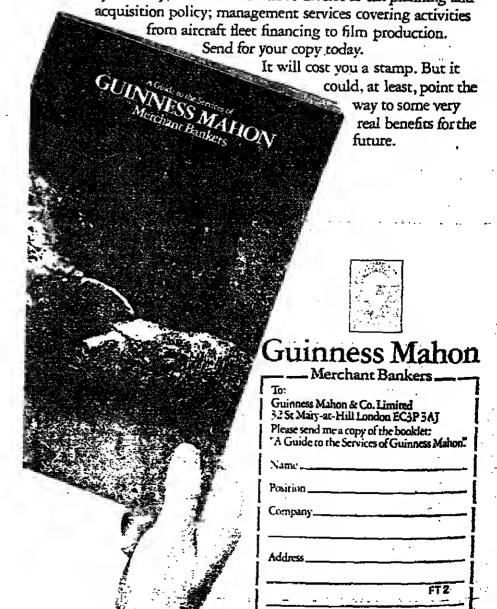
The list of business, investment and merger failures that could have been avoided with the right advice from a merchant bank extends right back to the South Sea Bubble.

merchant bai

And whether you're planning your company's future or managing a substantial private estate, there's a new booklet that could help to make the task a good deal easier - and more profitable into the

It's called "A Guide to the Services of Guinness Mahon"; and it describes in some detail, just how one of the most respected and professional business and financial advisers in the City of London can be

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#### Japan Line aims to repay some borrowings

JAPAN LINE, the financially troubled shipping company, which specialises in tankers, aims to repay part of its heavy harrowings rescheduled from 1978 in the fiscal year ending March, 1981, in view of an improved earnings picture, resulting from rationalisation measures and a recovery in the shipping market.

The ailing shipping concern was granted a moratorium in the 1978-79 and 1979-80 fiscal years on the repayment of Y47.6hn (\$192m) of outstanding longterm loans by a syndicate of banks, including the Industrial Bank of Japan, the Japan Development Bank, and a number of other commercial banks and insurance companies. The shipping company's outstanding debts were about Y120hn as of the end of September. It faces Y23.7bn in loan repayments falling due in the 1980-81, in respect of which the company has been seeking to

defer payment. However, Japan Line, at the same time, expects some liquidity to arise from its current earnings recovery, and plans to appropriate from this for repayment of part of its borrowings from the coming fiscal year. The plan is hased on the premise that both tanker and tramp markets remain strong and that the third annual rebabilitation programme will

be carried out successfully. Details of repayment (how loans should he repaid and which first) are to he discussed with the banks involved when the company has a clear picture of earnings for 1980-81. The of earnings for 1980-81. The amount of repayment is likely

hanking granted a moratorium on repayment of loans for two years in succession, in 1978-79 and 1979-1930 in return for a stringent rehabilitation programme. calling for the sale of unprofitable tramp ships, securities and other assets, reducing the char-ter rate for tankers, and laying

# Sharp swing to profit at Chrysler Australia

staged a strong recovery in 1979, dividend of 7.5 cents a share on Australian group's alling the round, enabling the arrows its A class shares which can be a strong the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the arrows its A class shares which can be a strong to the strong to t declare its first ordinary divi- exchanges, although the local dend since starting operations ownership in Chrysler is less in Australia in 1951. Chrysler than 2 per cent. Sales for 1979 recorded a profit of A\$12.3m rose 17 per cent from A\$314m (U.S.\$13.5m) for 1979, come to A\$368m (U.S.\$403m). pared with a loss of A\$20.5m Chrysler will be looking to its in 1978. It is the first profit since 1974, when the group earned a modest A\$2.57m. In 1976 and 1977, small losses were incurred followed by a A\$25.7m deficit in 1978.

The turnround was largely the result of the success of the Mitsubishi Sigma, which is built and distributed by Chrysler. Sigma sales rose 32 per cent in 1979, and it easily maintained its position as Australla's top-selling four cylinder car.

updated Sigma range, due to he released publicly next month, to continue its strong profit run.

Mitsublshi last year paid. A\$27m for a one-third stake in Chrysler Australia and took an option to lift its stake to between 51 per cent and 80 per cent by August this year. Recent Japanese reports suggest that Mitsubishi will exercise its option, and pay a "somewhat higher" price per share because of the improved performance of the company and the present

Boral wishes to make its offer

through Brishane Gas, but before it could do so, the state

expression of interest in Allgas

by unknown people. Dollar referred to a circular letter

from A'Beckett and Company sent to many Allgas share-bolders seeking to buy up to

market prices for Aligas of A\$2.50, Boral proposes to offer

A\$5.00 for each Allgas ordinary

shares subject to the Queens-

Boral has been unable to dis-

cover the identity of the princi-

land Government's approval.

the directors said that Chrysler Australia increased its sales of passenger and commercial vehicles by 32 per cent, although the industry as a whole declined by 0.4 per cent. Chrysler's penetration of the passenger vehicle market rose from 10.08

8.6 per cent to 9.25 per cent, the highest since 1973. The directors said that the year's performance reflected improvements throughout the organisation as a result of the major investment and restructuring programmes put Into effect over a three-year period.

per cent to 11.02 per cent, the best performance since 1971. In the total vebicle market, Chrysler's share advanced from

# **Boral seeks freedom** to bid for Allgas

BY OUR SYDNEY CORRESPONDENT

BORAL, THE major building products group, wants the Queensland State Government to allow it to make a A\$7.5m (US\$8.2m) takeover bid for one of Brisbane's two gas distribution companies, Aligas Energy, Boral acquired the other distributor, Brisbane Gas in 1971 and built up a holding of about 10 per cent in Allgas before the state government stepped in and blocked any prospect of a full takeover.

government passed legislation restricting the maximum bolding in "proclaimed " companies to 12.5 per cent. Aligas was proclaimed and Boral subsequently sold its 10 per cent stake in Allgas to AAR, the Queensland mining and gas company, now a subsidiary of the major industrial and mining group, CSR.

#### Comeng well ahead at midway

COMENG HOLDINGS, heavy engineering group, has raised its interim dividend. after increasing profits by 13 per cent from A\$4.6m to A\$5.2m (U.S.\$5.7m) in the December half year.

Government would bave to rescind its proclamation of Allgas Boral directors said that The directors said they expected the full year's earnings exceed last year's profit, pointing to another record result. They said that in recent months some important con-

Profits included equity accounted earnings of Union 12.5 per cent of the capital, at an effective price of A\$2.57 a share. This compares with recent Carriage and Wagon of South Africa, and the local iron founder, Bradken Consolidated, but the 21.4 per cent stake in Australian National Industries was brought to account on a dividends received hasis only. The contribution from ANI rose by 10 per cent in the last

pals behind A'Beckett, nor the identity of the clients seeking the Allgas stake. The group's properties have been revalued, adding A\$8m to the asset revaluation reserve.

**NEW CALEDONIA** 

# Riding the nickel rise

BY PHILIP BOWRING RECENTLY IN NOUMEA

MICKEL, a glamour metal of a decade ago, has lagged behind in the current minerals hoom. There is now light at the end of the tunnel, however, for a company which operates from New Caledonia's high reliance world's smallest territories, but has been capaciting some of the base here generating some of the continued and nickel matte—and whether SLN would have heen engaged in feasibility losses that it bas.

The situation is improving the been engaged in feasibility losses that it bas.

The situation is improving the first that there is rapidly, however, and if the situation is improvement continues Aquitatine might eventually collect some dividends from SLN, and the French Government might ago ahead unlikely in the near has been generating some of the world's biggest losses. The company, Societe Le Nickel 1SLN) is owned jointly by the Paris-quoted French Rothschild SLN itself accounts for more than 90 reduce its direct subsidies to New Caledonia, which were exports of FF 1.5bn a year. SLN itself accounts for more slump. associate. Imetal and the state owned Societe Nationale des Petroles d'Aquitaine, It's losses reached a peak of FFr 593m (\$145m) in 1978.

SLN's headquarters is at the Tour Maine-Montparnasse in Paris. But its operational beart is here in this still French South Pacific island, where it mines and processes some of the world's richest nickel ore. New Caledonia, a cigar shaped island roughly equidistant from Brisbane, Auckland, Fiji and the Solomons, produces about 12 per cent of the world nickel

SLN's bsses in 1979 were reduced to only FF 132m, and if producer prices and volume demand remain at their current demand remain at their current of these Europeans and the level, the company should be hack in coming months. That is not just good news for Imetal without this, it is doubtful

nickel and nickel matte-and the French Government might

Higher nickel prices promise an early return to profit for Societe Le Nickel, the French-owned mining company, and a boost for the New Caledonian economy

than 80 per cent of the nickel the products and same of the ore.

SLN thus constitutes the main means of existence for the territory, and almost the sole reason wby Europeans now constitute more than 35 per cent of the population of 130,000, outnumbering the indigenous Melanesians. Thus what bappens to SLN is not just a commercial question, but is intimately bound up with the future

According to company officials bere, the break-even duction, is US\$3.20 per pound. The good news for SLN is that the producer price has now risen to \$3.45 per pound. If demand holds, SLN ahould thus be able to increase its production: This has been pegged at 42,000 tons of nickel content for metallurgical products since April, 1978, when production was cut, to contain losses and to reduce stockpiles. The pro-duction of 42,000 tons is only about 60 per cent of capacity.

At the time of the cuthack, excess stocks amounted to about nine months' sales. At one time they were worth FFr L3hn. In 1978 alone, SLN's financing costs were FFr 215m, a major part of the FFr 593m loss. The big improvement came last year. Output was pegged at around the 1978 level, while exports of nickel products from New Caledonia recommend. ducts from New Caledonia rose 38 per cent.

Meanwhile, the high cost local workforce was cut by more than 10 per cent—a difficult move in such a small territory, and one which led to emigration of Europeans. By October this year the whole of the excess stock should have heen sold off and an increase in output of some 20 per cent should he possible — without increasing the workforce.

Although the immediate future is therefore much brighter, the longer term prospects for nickel production in New Caledoinia is mixed. A few years ago the island accounted for more than 20 per cent of world output. Because of economic and political factors, that has been cut almost in balf. For SLN, Improvement in the world nickel market should enable increases in production for several years without the need of new investment.

Deposits are rich, on the surface, and close to the sea. But most of the island's energy is provided by imported oil. Several competing producers have access to cheap hydro-electric power, and though New Caledonia's garnierite ore is rich— average grades mined are now 2.45 per cent—they have declined in recent years and the garnierite will be worked out in some 20 years.

The island bas gigantic de-posits of lower grade ore which should he exploitable. Both Amax and Inco, in conjunction a go ahead unlikely in the near overcome unless the French Government itself is going to guarantee the several hundred million dollar investment re

quired for a new project.

A more likely way of increasing exports of nickel from the island would be the establishment of a smelter in a country with cheap power and low political risk. In this context, New Zealand Interests are known to bave had talks with New Caledonian ore miners (other than Le Nickel) on the possibility of building a smelter in New Zealand's South Island to take advantage of chemp bydro-electric power there. However, marketing the nicket metal might he, a problem, and SLN might see its own position as being undermined by such a move. Ideally, New Caledonia would like to see more ore Ideally, New Caledonia treated locally, but In the short term it would like to increase ore exports.

Japan is the main market. Ore sales recovered by 40 per cent last year to 45,000 tons (metal content), but are still far from the early 70s peak of 75,000 tons. Japanese buyers were said to be badly squeezed during the nickel boom and bave since tended to stay away from New Caledonia. At the same time, the oncoming of new mines in Indonesia and the Philippines has enabled Japan to widen its choice of source in Asia.

Japan is also more keen to huy from independent Asian nations with which it bas important commercial and political relations than to deal heavily with a French territory which is regarded with some suspicion in the Pacific and has formidable harriers against Japanese products. Thus while the gloom has lifted from SLN and its nickel island, there is little prospect of a return to the boom

NOTICE OF PURCHASES

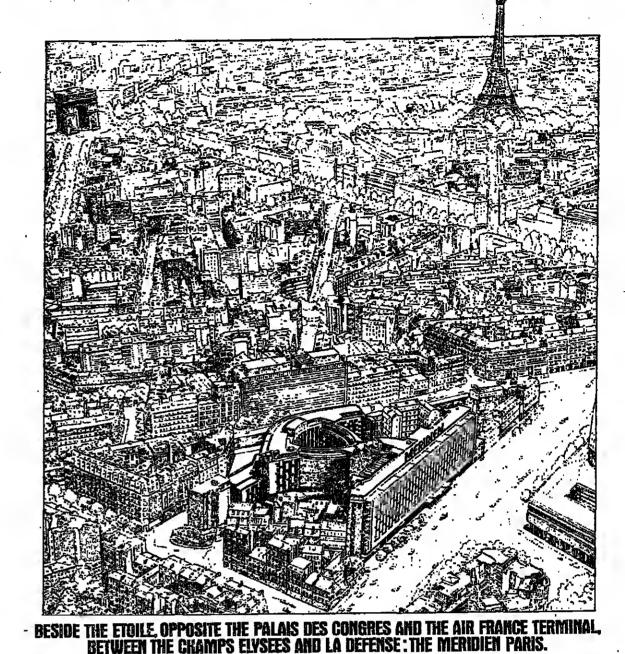
To the Holders of Mo och Domsió Aktiebolag MoDo 91/2% Bonds Due 1983

NOTICE IS HEREBY GIVEN the Bonds of the above described issue, an aggregate principal amount of \$1,000,000 was purchased in the market during the twelve month period ending February 15, 1980, and such Bonds have been surrendered to Morgan Guaranty Trust Company of New York, as Trustee. The principal amount remaining outstanding is \$22,000,000.

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	. US 3 000	US \$ 000
CASH AND BANKS		
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Barter St. HY | 36 | 3612
Barter Trav Lab. | 3634 | 3614
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DEHMARK Copenhegon BE 11;1(78)	75,75	75.77	76,80	75,75	37,48 (25/7)	74.78 (518/8)		
FRANGE GAG General (59:12:61) nd Tendanco (28:12:79)	103,5 162,6		109.80	112,10 105,80		82.4 (16/2/75) 95.6 (3/1/80)		
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	leis. § 400 industrials plus 40 Utilities, 40 Financials and sed. u Unavallobia.

# Early Wall St rally of 8.9

BARGAIN HUNTING, ospecially in Colls, which had mel heavy profit-taking of late, produced a good cally on Wall Street yester-day morning in busy trading.

trading after recent sharp slides, rotreat, markots staged a good crally yesterday in moderate rally yesterday in moderate trading, with some investors while the Oil and Gas Index ralloping that U.S. interest rates and its Rundle oil shale partner boping that U.S. interest rates of the control of the day morning in busy trading.

The Dow Jooes Industrial Average rotrieved 8.96 to 817.90 at 1 pm, while the NYSE All Common Index picked up 68 cents to \$61.27 and advancing issues outnumbered falls by a amounted to 30.68m against the provious day's 1 pm level of

lalo on Monday that consumer debt grew in January at the modest lovel of Docomber, and recent weakness in commodity prices. suggesetd the oconomy may finally be slowing, which would make President Cartor's tosk of slowing inflation a lot Average, after falling 387 points easier.

Among interest-rate sonsitivo stocks, American Telephooe regained \$1 to \$47;, MGIC Investment ( to \$192. Rankamerica ) to \$211 and Chase Manhattan In the Oils sector, Mebil rose

In the Oils sector, Mobil rose
\$3 to \$79\; Gglf Oil \$1\; to \$47\; Exxed \( \) to \$61. Superinr Oil 2\]
to \$147 and Sun, which has agreed to make a bid for Viking
Oil, of London, \$1 to \$76\; H. J. Helnz added \( \) at \$3\$\! on improved fiscal third-quarter not confirm and a Concept ties for the orofits and a forecast rise for the year. Metro-Goldwyn-Mayer put nn 1; to \$18; The company said if permits are received by June. casing/hotel in December 1981. Value Index recovered 5.65 to 271.05 at 1 pm on volume of

3.49m 13.63m). Oils also led the Amex recovery. Volume leader Dome Pet-ribum climbed 4? to 8801, Gulf Canada 71 to 8145; and Bow Valley, which proposed a threeone stock split, 2; 10 \$437.

Canada

-0.4 +0.5 +1 -0.7

5.600 1.850 3.490 2,160 13,385

AUSTRIA

Steyr Dalmjer...

BELGIUM/LUXEMBOURG

Starkets in Canada also showed firming tendsocy in active early lied 180.6 to 4543.9 but Golds shed 53.0 more to 3063.7.

sharp setback in early trading, still on interest rate worries and five-to-two ratio. Turnover in the wake of the fresh overnight decline on Wall Street. However, "cheap" buying towards the close concentrated Applysts commented that oows in export-orientated issues, large capital and Blue Chips left a rether mixed picture at the

Trading was again moderate, volume equalling Monday's total of 300m shares.

Nikkei-Dow fell another 65 points yesterday marping, but later recovered to close 28.51 up on the day at 6,535.67. The Tokyo S.E. index regained 1.60 to 450.61, although declines still led gains at the close on the first market section

by 356 10 276. Investors gained some oncouragement from the fact that there was no panic selling by foreign investors, while also belping later sentiment were rumours circulating in the market that the Tokyo S.E. is

considering easing controls on credit trading.
Sony rose Y40 to Y1.570,
Matsushia Communication Y50 Y12 10 Y169, Kawasaki Steel Y6 to Y125, Nippon Steel Y4 10 Y122, Victor Y60 to Y1,050 and

Canon Y11 to Y590. Canon Y11 to Y590.
Chemicals, Textiles, Pharmacuticals and Shlppings also firmed, but Oils and Coals cnotioued to fall with Nippon Mining losing Y20 to Y2,150.
Arabian Oil Y50 to Y3,160 and Teikoku Oil Y30 to Y1,040.

Hong Kong

The Hang Seng index recouped Tokyo

The market suffered a further tharp setbock in early trading, till on interest rate worries and the absence of substantial liquida-

tions in the falling gold market left stockbrokers bemused by the market's rise.

Hongkong Bank rose 30 cents to HK\$21.30, Hong Kong Electric 25 cents to HK\$6.00, Hongkong Land 40 cents to HK\$12.10, and Hong Kong Wharf HKS2 to HKS64.00, while China Light gained 40 cents to HKS18.20, Great Eagle 30 cents to HK\$5.80, New World 17.50 cents 10 HK\$3.80 and Tai Cheung 17.50 cents 10 HK\$3.80 and HK\$3.05.

heavy selling following the further weakening of world prices for gold bullion and other commodities. Bargain bunting loft some issues shove the day's worst, but in general it was a bad day for investors. The Sydney All Ordinaries index lest 13.27 more to 822.70 and the Melals and Minerals index finished 137.00 lower 81 5,256.53. Bougainville fell 35 cents to

and North Broken Hill 20 cents to AS3.30. Renison Tip declined AS1.00 to AS18.00, but CRA picked up 10 ceots to A\$5.20. Uraniums were weak in belated reaction to a report last Friday of lost orders from Gorman Utilities amounting to A\$250m. Pancontinontal lost 60 ccuts to A\$7.00 and Quoensland Mines 40 cents to A\$6.00.

Among Oils Santes dipped 60 Following the recent sharp cents to A\$1.30 and Hartogen

# Diamond explorer Leichards recoded A31.50 to A57.50 while sugar, coal and oil shale base CSR closed 24 coats weaker at A35.44

Germany After starting on a firmer note shares receded to Baish mixed to easier on balances. Metals related into Degrees weakened DM 6. Schering their DM 4 in Chemicals but among Machine Manufacturers, KHD rose DM 350 and Deutsche

#### up to 80 pfennigs weaker. Johannesburg .

Public Authority Bonds were

Babcock DM 3.00.

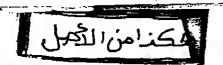
—add world stocks—Australian active trading reflecting the Gold, Oil and Uranium shares led another broad retreat on heavy selling following the Heavyweight issues recorded falls extending to 550 cents; as in St. Helena at R34.000, FS Geduld lost 450 cents to R56.00 Buffets 375 cents to R31.50 min Winkelhaak 400 cents to R27.00 Among lower parts at the R27.00 Among Among lower price shares EEGo declined 80 cents to R\$20 and Diamond issue De Beers receded 55 cents to R1010
Platinums and Coppers also de. clined, while Industrials were mixed with an easier bias.

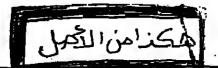
#### Amsterdam

Share prices closed mainly lower after quiet trading, with Royal Dutch losing F1 1.70 in Dutch Internstionals.
KNSM shod Fl 150 in Ship pings, while mixed insurance her AMEV up F1 1.20 but Engle down F1 1.50. Elsewhore, OCE Van der Grinten dechned F1 250. but Publishing concern Elsevier State Losus tended to improve

		BELGIUM (continued)	HOLLAND	AUSTRALIA	JAPAN (continued)
CANADA		Mar. 11 Price . + or	Mar. 11 Price + or	Mar, 11 Aust 4 -	Mar. 11 Price +
Stock 1		Petrofina 5.600 -40	Fis. : —	AHZ Group 4 50 : -0.05	
Abitibi 21	2110	Royole Beige 5.050   -50	ACF Nolding 67,6   -2,5	Acrow Aust 1.00 Alistale Expl 1.50	Marudai 408
Agnico Eagle 13	14 36	Soc Gen Bang 2.495 - 35 Soc Gen Belgo 1,560 -16	Ahold 69 +0.4 AKZ0 26.8 -0.1 ABN 272 +1	Ampol Pet 1.11 -0.0	*! Marui 650 ;
Alcan Alumn 67 Algomo Steel 36	89 4	Soc Gen Belgo 1,560 —16 Sofina 3.050	ABN272 . ±1	Audimeo	Matsushrta 655 . +
Asbestos 38	363	Solvay	IAMEV 91.5 1.2	Aust Cons Ind. 2.00 ; -0.10	M bishi Bank 411
8k Montreal 23	le 255a	UGB	AMRO 57.3 -0.4	Auet Guarant 1.40	' M'bishi Corp 738
Sk Nova Scotia 23 Basic Resources,: 16	in 2312	LUDION MINIOPO.   DUD   10	I BOX KENS 91	Aust Paper 1.70 -0.9	M'bishi Elec 185 383
Basic Rasources,: 10		Violite Mont 1.530   70	Suchrmann-Tet 56.6 -0.4	Bemboo Crook 0.25 -0.0	LINI DIGHT RI CELLI.
Bell Canada 19	ig ; 1B3g		Calond Hidgs 95.6 -0.3 Elsevier	Bank NSW 2,98 : -0,02	Mitsul Co 646 -
6ow Volloy 48	34 524	DENMARK	Ennie	Blue Motal 1,45 · -0.16 Bond Hidgs 1,65 -0.05	Mitsui Ri Est 481
BP Ganado 45 Brascan A 29	la 31 la	DEWINA	Ennie	Borat 2.40 : -0.84	UCK Invitator 466 A
1 Brinco 9	) <b>,</b> 10	Mar. 11 Price + or	Gist. Brocades 62,3 +0,4 Noinoken 61,8 +0,3	I BI VIDE CODDOL 4.53 -0.43	Mippon Denso 1,070
B.G. Forest 25 Cadillac Fairv: 21	26/2	Kroner -	Noinoken	8rambles inds 1.95 +0.85 8HP	Niopon Gakki 661   4
Camflow Mines.; 19	21	Andolsbanken 128 : -0,7	111 C 007   07	8HP	Nippon Meat 415 — Nippon Oil2,150 —
Can Cemoni: 13. Can NW Lands 19	56 135g	Raities Skend 226 -6	int-Muellor 23.1	CSR	Nippor Shinpan, 540 -
Can NW Lands 19	14 201;	BUTH & WAIN 30,5 ; -0,7	INTERIOR 15 R : _D 3	Cariton & Utd 1.85 : Cluff Oil Aust. 0.30 -0.22	Nippor Stoel 122
Can Packers 61	La : 33	Cop Nandolabnk, 105   -0.25	Not Hod Cart 108.3   -0.5	Co. Opts 0.18 -0.62	
Can Perm Mtg 16	1614	Oanske Bank 116,5 -1	Hed Gred Bank 30,2   -0.2	Cockburn Cemt. 1.35	Nissen Motor 618
Can Imp Bank 23	19:2	East Asiabc 116,26 -1,29	Hedilovd 73.6 -0.7	Coles (C.J.) 1.95 -0,06	Missour Flour John
1 Can Inda 281	2058	Foronede Brygg. 310.0	Hediloyd	Cone Gold 7.30	Nomum K71
Cdn Pecific 451	6 464	Forendo Campsk 166.25; -0.50	OGEM 12.9	Containore 2.80 -0.05	ACVIC 307
Can Super Oil 226	326	GNT Hide		Conzinc Riotin 5.20 -0.18 Costain 2.90 -0.18	Olymons 669
Cdn Tire 27	2612	Nord Kabe 137.75 -0.75	Pakhoed 49.2 ! ± 0.5 Philips	Crusader Oil 2,500,20	
Cherokes Res 121	4 , 134	[ MAYN ING 220 ==U./3	Philips	Crusader Oil 2,500,21 Dunlop 0.860.01	Renown 510
Chieftain 52	. 3212	Papirfabrikker 110 Privatbanken 124.25	Robeco	Elder 3mith GM. 2,95 -0.95	Ricoh 540 -5
Contingo		Privatbanken 124,25 Provinsbonken 183,5 -0.75 Smidth /FL 255.0	Rodemco 107.9 ; +0.1	Escor 0.40	Sanyo Elec 386 +1
Cons Baths A 163	17	5 Berendson 328 + 9,75	Rorento 103.7	Oon Prop Trust., 1.56 -0.02	Sakisti Prefah 6323
Coseka Res 22)	8 28 s	5 Berendsen 338 + 9.75 5uporfos	Royal Dutch 159.7 -1.7	Nom6rsloy 3.B	Sharp 567 -2
Costain 71	2   B .		1 210 A O U O N L O L O L O L O L O L O L O L O L O	Hartogen Energy: 2,60 —0,43 Hooker 1.11 —0,82	Shiseido
Oaen Devel 53	554		Unitever, 107.6	ICI Aust 2.7B -0.06	
Come Mines 731	804	FRANCE .	Viking Res 85 -1	Jennings 0,98	Stanley 590 55B +3
Dome Pelroleum 651	2 , 72		VMF-Stork 51 -0.5	Jimberlana Min. 2,45 —0,28 Jones (Di	Tainei Dengyo 620 -4
Dom Bridgo 151	2   154	Mar. 11 Price + or	Volker-Stevin 51 -1 West Utr Bank 253,1 -0,4	Kia Ora Gold 0.37 -0.81	Taleho Pharm 560 5
Dom Foundries A: 37	367g		West Utr Bank 253.10.4	Lennard Oil 1.30 -0.85 MIM 4.80 -0.28	Takede 475 . 41
Dom Stores 181	1 275	Emprunt 44% 1975. 1.860 -45		MIM 4.50 -0 28 Meokatharra Ms. 3.80 -0.58	TDK
Patcon Hickol A., 123	133	Emprunt 75 1975, 6.750 —179 CNE 53		Metramar Min., 0.28 , -0.07	Telkoku Oil 2.040 : -3
Gonstar 29	2954	Afrique Occid 574 -2	ITALY	Menarch Pot 0,70 , -0,19	TBS 480 : -1
Gt-West Life 150 Gulf Canada 1601	150	Air Liquide 495   -2	· · ·	Myer Emp	Tokio Marine 573   +1
Gulfstream Res. 71	2   812	Aquitaine	Mar. 11 Price + or	Nows	Tokyo Elect.Pwr. 830 -5 Tokyo Gas. 116 -1
Hawk 5ld. Can 171 Hollinger Ags. A.; 441	2 1812	BIC 475   +6	Line T-	Nicholas Int 1.38	Tokyo Sanyo 558
	2 1 40.1	BIC	ANIO	North 8km Hill 3.30 -0.20 Oakbridgo 3,90	Toshiba 180 . +2
Hudson's Bay Mng. 294 Hudson's Bay 29	394	BSN Gervaie 940	ANIC	Offer Expl 1.80 - 40.55	Tokyo Corp
do. Oil & Cas 1141	121	Carrofour 1.580 : +10	Banca Com la 11.700 + 10	Pancon 7.00 ! -0.50 !	Toyo Selkar 380 ; +6
Husky Oil 85		CGE 637.B -1.2	Flat 2,010 -5	Pan Pacific 0.20 -0.82   Pioneer Conc. 2.05 -0.1	Toyota Motor 380 +6
IMASCO 453	46	CSF (Thomson) 498 ( 2	Fineider 86 ( -2.5	Queen Mare's C O 74 ' O 81	Victor 1,050 +50
Imp Oil A	494	Cto Sancaire 295 +0,5 Gio Gon Eaux 411.6 -5.6	Invest2,231 36	ROCKITE & COIN   0.45	Yomaho Motor 8502
Imp Oil A	835	Cofimeo	Italeder	Santos	Yamazaki 470 -1
Interpr Pipe 161	1812 164	CCF 160,0	Montodison 282 -8	Southland Ming., 0.39 -0.03 i	Yacuda Fire 283 . +3 Yoko-awa 8dge.: 604 +3
	1 25-2	GFP 252   -7	Olivetti	Spargos Expl 0.65 -0.85	The state of the s
Mac. Bloadol 3319	294	ONEL 36.1 _0.9*	Direili Co .1 850 / 40 I	Thos Natwide 2.55 -0.05 Tooheye 2.20 Tooth 2.0B -0.12	SINGA BOOK
Marks & Spencer 7 7 is		Oumoz 845	Snie Viccosa 630 +4		SINGAPORE
Massey Forg. 7.1 101s	101	Ferodo 338   -9	Snle Viecosa 630 +4 do. do. Prty. 440   +2	Utah Mining 4.25 ' 0.65 !	Mar 11   Owen Le
Mointyre Mines. 80 Morland Explor. 264	264	Gcn. Occidental 285   —3     —3       —119,1   —5,4		Valiant Consdt 1,00   -0,25   Waltons 0.60	Mar. 11 . Price + or
Mooro Corp 34	3478	Lafarge	Ì	Westorn Mining 4.65	
Mountain State. 125;	134	L'Oreal 656  14	MANUAL	Woolworthe 1.45 . 4 0.02 i	Boustead 8Hd 4.22   -0.5 Cold Storago 6.10   +0.5
Nat. Sea Prode A. 145, Noranda M.nos; 2712	28%	Machinee Bull 63.7 -1	)	TOUG TOUG	Cold Storago 6.10 +0.8 085 5.70
		M-4-	! !	HONG KONG	France & Manua 605 -07

:	Au Printemps 113.5	+0.5			+ or	Nicholas Int	1,38		1 10K10 G-15		-1
i	BIC 475 Bouygues 576 BSM Gervaie 940 Carrofour 1.580 Glub Mediter 550	+6		TLO		Morth Ske Hill	3 30		Tokyo Sanyo	558 180	+2
1	BSN Gervsie 940	-19	ANIC,	8,50	-0.2	Oakbridgo Ottor Expl Pancon Pan Pacific	3,90	-0.5	. Tokyo Corp	224	, ~3
	Carrofour 1.580	+ 10	Acsicur Gen48	.200		Pancon	7.00	-0.5		369	-1
	Glub Mediter 550	-6	Bastoni Fin	674	+10	Pan Pacific	0.20	-0,0		380	+6
	CSF (Thomson) 498	-1.2 -a	Bastogi Fin	.õio	-5			-0,I	Victor.	1.050	+50
	Cio Bancaire 295	+0.5	Fineider.	B6	-2.5	Quoon Marg't G Rockitt & Coln	0.34 B.45	-0.0	* Waccal	695	. + 14
	Gio Gon Eaux 411.6	-5.6	invest	31	-36	C	6,40	-0.50	Yomaho Motor		-2
	Gie Gon Eaux	+a	Italeder 2	B2	-540 8	I Stolgh (H.C.;	1.06	-0.04		470 283	. +3
	CCF 160.0	+1.3	Montodison 1	70	-3.5	Sparges Expl	0.39	-0.03	Your swa Rdo	6. 604	+3
	GFP 262	+1.3	Olivetti	52	2B	Thos Natwide	0.65	-0.05			
	ONEL 36.1		Pirelli Co	60	-40	Tooheve	2.20				
	ONEL 36,1 Oumoz 845	********	Snie Viecnes	30	+4	Tooth	· 2.0B	-0.7	SINGAPORE		
	Ferodo	<b>–</b> 9	do. do. Priv. 44	¥0	+2	Utah Mining	4.25	-0.0			·
	Gcn. Occidental . 285 Imotal	-3				I Valiant Consdt	1.00	-0,29	1		
	mota   119.1	-5.4				Waltons	4.65		·		
	Lafarge	÷9.B -14	NORWAY			Woolworthe	1.45 .	<b>4 0.02</b>	Boustead 8Hd.	4.22	-0.5
	Legrand 1,450	- 15	NORWAT			Wormald Intl	ā.90 ,	-0.85	Cold Storago	6.10	4 D.R
	Legrand 1,450 Machinoe Bull 63,7 Matra 9,010	-1	;	. :		HONG KONG			08S	5.70	-az
Į	Micholin B 764	-40	Mar, 11 Pri	ioo : -	+ or				Fraser & Heavo. Haw Per	1.93	-0.0
1	Moet Honnessy 616	-2	Kro	nor			Price :	+ or			•
i	Moulinex . 76.B	-1.3	Bergens Sank, 10	1.5			H.K. 8		1 Maie y Banking .	9.00	-0.H
ı	Moulinex	-1	Borregaard 8	6.0	-2.0	Споипо Копо	<b>a2.00</b>	~ O.48	PRISIDE VOICE	6.15 : 8.40	
1	Pechinay 100.9	-a.7	Greditbenk 12	8 .		Cosmo Prop	2.20		Pan Elect	1 65	
ı	Perrier	-3 -4,9	Kosmos 47	9.0	-2.0	GLOSS HSTDOOL	3.20	-0.26	I Simo Darby	<b>6 UB</b> .	- Ó.I
ı	Pougoot-Cit 248.1	-9.1	Norsk Nydro 54	25	23 0	Easin Asia Nay.	5.80			9,55	-0,65
ı	Pociain	-10	Storebrand 13	7.5	-2.5	Hang Sen Bank	6,00	+ 0.25	u0880u	4.14	+0,0
Į	Radiotech 301	-1				HK Kowloon Wh.:	64.00	-2.88			
ı	Redoute	+4				HK Land	12,10	~ 0,48	SOUTH AFRK	-A	
ŀ	Rhone-Poulenc 166.5	-1.4				HK Shanghai 8k.	21.80	÷0,60			
1	St. Cobnin	-2 +0.5	SWEDEN.			HK Telephone Hutchison Wpa	7.80	÷0,50 ÷0,70		Price	+ or
Į	9kls Rossianol B72	-19	1			Jardine Math		-0.70	1 .	Rand	
l	St-Gobain 124,6 9kls Rossignol B72 Suez 265 Tolemech Elect 780 Thomson Brandt 302.9	+1	Mar. 11 Pr	ios i -	- ог	Now World Dav	3,80	÷ 0,78			-0,4
ı	Tolemech Elect. 780	+6	Kro	ner,	_	O'seac Trust Bk.	4,15	<b>- 0.50</b>	AE & GI	7 10	
ı	Homson Stanct; auz.9	-4	AOA1	77		SHK Props.	8,10	- 0.85 - 0.20	i Anglo Am. Gp	12,8	0.7
l			Alfa-Laval		+ 1,0	Whoel'k Mard A	4.CO	+ 0.19	Barlow Rand	. 10,0 :	~Q.¶
Ì	GERMANY		ASEA	5 ! .		Wheel'k Mariti'o	4.65	-0.10	I Buffold	. 31,5	_3.73
ı	1 Peters 4		Atlas Copco 6	B .	+ 0,58	JAPAN			CNA Invests	1.60	
l	Mar. 11 Price	+ or		70					On Beerk,	. 10.10	- 679
ŀ			Electrolux 10	2,0	± 1,0	Mar, 11	Price :	+ or	FS Goduld	21.5	_2.75 _4.5
ı	AEG-Tolef 35,8	-0,8	Ericsson 9		0,50	· ·	Yon .	_	Pold Fields 04	88.5	-13
ľ	Allianz Vors. 367 BASF 141.6 BAYER 117.1	·	Esserte 1	40 L		Ailnomoto	530	+16	Gold Fields SA Highwold Steel	4.10	_0,86
ı	BAYER 117.1	-0.2	Fagersta' 10			Amada	500	-5	Hulotts	7.0	. بيرو
l	Bayer-Hypo	-1.6				Asalii Class Bridgestone	346	4	Kloof	0.05	_3.25
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Ľ	Commorzbank 170	-0.1	9KF 7		-1	Dai Hippon Ptg	490	-5	Rust Plat	. 5,87 .	-0.6
ľ	Deimler Benz 258	-1	St.Kopparberg 20 Sven Handaisbn. 5		}	Daiwa House	291	-7	Sago Hidge	· 2.55 ;	-0.55 M.O.
li	Deguesa 246	+1	Tandstik 8		-1.5	Dalwa Seiko		÷4	SA Brows		Par vigares
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#### Warning on **UK** fish imports

UK FISH imports in January totalled 43,885 tonnes, more than double the January 1979 figure, the British Fishing Federation said vesterday.

"That is nearly ten times the amount landed by British vessels in the seven main deepses ports in the same month." the BFF stated.

"Now we can see the size of the problem the prospect is little abort of terrifying," it addad.

"We face the almost unbelievable prospect that by the end of the year the biggest fishing nation in Europe will be importing more than it catches."

In many cases, a Federation spokesman said, Britain will be buying its own fish, caught illegally by the fishermen of other EEC countries.

He said fishermen had already protested that low-priced fish from other EEC states, which benefited from various Govern-ment subsidies, and uncon-trolled, often illegal, fishing was undermining British quayside markets. "The January figures bear this out," be added.

#### Sugar values fall sharply

WORLD sugar values ended sharply lower on the London futures market yesterday in spite of rallying strongly in the afternoon. The May position slipped to £211 a tonne at one stage but closed at £222.75 a tonne, down £11.875 on the day.

In the morning the London daily raw sugar price was fixed £25 down at £205 a tonne.

The early fall bad taken sugar futures to their lowest levels since January and at one time over £100 below the five-year peaks set in mid-February. Dealers said the decline reflected the downturn in other commodities and the ready ovailability of physical sugar.

The release of 2m tonnes of sugar beld under the International Sugar Agreement's special stocks provision bad eased the supply situation, they

recovery reflected trade buying which probably represented tha lifting of hedge cover against sugar sold to Jordan and Pakistan yesterday. They sald the low price levels reached in the morning may also bave en-

# U.S. grain ban 'not as successful as hoped'

BY OUR COMMODITIES STAFF

sales to the Soviet Union will predictions at 732m tonnes, and factors. These included the size be less successful than previonely thought in depriving the 375m tonnes. World wheat pro- record 1978 Russian grain har-Russians of imports, the U.S. duction is put unchanged on the vest and existing supplies of Department of Agriculture February forecast at 419m forage.

admitted in its latest report on tonnes. 6 per cent below the The outlook for the Soviet the world market.

It estimates that the Soviet Union will import 30.5m tonnes of grain in the 1979-80 season, ending June 30 this year, up by more than 2m tonnes from last month's forecast and compared with imports of 15.6m tonnes in 1978-79.

Tha report said tha higher

Soviet grain imports partly reflected the likelihood of larger sales by Argentina, which has refused to support the U.S. embargo. The imports include 11.9m tonnes of wheat, 18.1m tonnes of coarse grains and 0.5m tonnes of miscellaneous grains. Meanwhile the U.S. Agriculture Department raised its forecast of world grain production in 1979-80 by 5m tonnes to 1,526m tonnes. This would atill be 3.5 per cent below the record 1978-79 harvest.

THE U.S. embargo on grain 2m tonnes up oo last month's depend largely on domestic rice production raised by 3m to 1978-79 figure.

> However, the International market report, out yesterdsy, has cut its estimate of world wheat production in the 1979 calendar year to 421.2m tonnes. This compares with an earlier estimate of 423.5m and the 1978 record outturn of 449.1m tonnes. The decline is attributed to a downward revision in Eastern European production now put at 23.9m tonnes ngslnst 30.7m

> Commeeting on the effects of the U.S. embargo, the Wheat Council notes recent reports in the freight market of extensive chartering of tonnage by the USSR on routes from Argentina and Australia.

tonnes in 1978.

But it adds that the ability Coarse grains output is put tha U.S. sales cutback will 1978/79 year.

of stocks available from the

winter grain crope remained favourable, the report notes, Wheat Council in Its latest and an aarly start to tha grazing season would ease motters until grain supplies improved.

> The Council said initial indications for the 1980-81 world whest harvest are good, particularly in view of the steep incresse in winter wheat plant-ings in the U.S., Eastern Europe, the USSR and some Western Enropean countries There have been few reports of crop damsge from severe frost or lack of moisture in these regions.

 The U.S. Agriculture Department projected Brazil's 1979/80 soyabesn crop at 14.7m But it adds that the ability estimate of 14.5m tonnes, and of the Soviet Union to offset 10.2m tonnes estimated for the

## Wool strike talks break down

MELBOURNE - Talks aimed Jopan Wool Spinners Associaat settling the nine-week tion says an inventory of raw have been maintained in the Australian wool Strike broke wool at the end of last month Bradford market, with no abarp down yesterday.

Storemen and Packers' union. Mr. Simon Crean, said the union bod decided not to attend the talks, at which wool brokers and the Australian Council of Trade Unions could discuss proposals put by the union. The discussion bad broken down, he sald, os the brokers were inwilling to talk "sensibly" about the proposals. The Wool Brokers Federation was not available for comment.

The Australian Wool Corporotion (AWC) hopes to start advance payments early next

Meanwhila Japanese wool Partners of Jamaica, which is spinners say they will be forced owned by Kaiser, Reynolds and to reduce-or even suspend- Anaconda. operations if the dispute con- Alumina production for last France times for moch longer. The year totalled 2.06m tonnes, Republic.

showed there was enough wool reaction to the strike because The fedaral secretary of the in stock for just over a month. of the bealthy stock position in Although Japan is still receiving some wool, the association says some spinners may be forced to reduce production within the next week.

Significant wool price rises after March. Mr. Renneth Turner, director of the British Wool Confederation warned in

the UK, be said. Mr. Turner said Japan and

Up to now resampable prices

Europe were more dependent on Australian wool than Britaio, as only 12 to 14 per cent of are expected by British top-makers if the strike continues Australia, but be noted that the strike was of concern to the British wool industry because it it continues price pressure will develop in other countries.

#### Bauxite output down

week to woolgrowers hurt by JAMAICA, the world's second which was one the strike, AWC chairman Mr. largest producer of bauxite ore, 1978 production. last year mined 11.53m tonnes, Bauxite exponents than the JAMAICA, the world's second which was 3.7 per cent less than 25 per cent of the valuation of volume of ore mined in 1978. a grower's wool unsold in store According to the Jamaica or of the proceeds of wool sold Bauxite Institute tha decrease for which the grower has not was due to a fall in the pro-received payment, Mr. Asimus duction target set by one of the companies, Alumina

Bauxite exports last year were 6.74m tonnes, which reflected a 0.31 per cent increase on 1978 exports.

All the bauxite exported last year went to the U.S. while alumina was exported Britain, Norway, Cansds. Vene zuela, Ghana, Trinidad and Tobago, Netberlands. and the Dominican

#### Steadier tone in base metals

By John Edwards, Commodities Editor

BASE metal prices steadied yesterday after Mondsy's dramatic shakeout. But the markets remained highly nervons and uncertain, especially in view of the further decline in gold.

Copper cash wirebars closed £3 down at £1,039 a tonne, but this represented a rise from levels reached in after-hours trading on Monday evening. Prices of cathodes, which fell more steeply than wirebars on Monday, gained ground yesterday.

U.S. producers cut their domestic prices by a further 5 cents to \$1.05 a pound. U.S. copper production in 1979, according to the Burean of Mines, rose by 83,708 to 1.441,295 short tons.

Cash tin closed £95 down at £7,895 a tonne, but this also represented a considerable recovery from the sharp drop on Monday evening. Traders are now awaiting to see the result of producers' demands at the International

Tin Council meeting this week for a rise in buffer stock range from the present level of M\$1,500-M\$1,950 a picul (133.3 lbs) to M\$1,850-M\$2,400. Consumers are considered unlikely to concede an increase of this sort, but may bow to pressure from producers for a rise to come closer in line with market

Aluminium and zinc prices rallied sharply. Cash aluminium gained £34 to £807.5 a tonne and cash zine by £18.5 to £337.5. However, cash lead fell by £13.5 to £484 in spite of the three months quotation rising by £9.5 to £463.5 a tonne.

Free market platinum and stiver followed the downward trend in gold. Platinum fell hy a further £17.5 to £383.85 a troy onnce and is now some £77 below the all-time peak reached last week. The London bullion spot price for silver was lower by 114.1p to 1.266p an onnce at the morning fixing but rallied to 1.330p in the afternoon.

HARD FIBRES

# Pact talks end in deadlock

BY BRIJ KHINDARIA IN GENEVA

NEGOTIATIONS for conclusion of international commodity agreements for hard fibresabaca, sisal and henequen, and coir-are still far from completion, and even producers are divided over what they should seek.

Discussions sponsored by the United Nations Conference on Trade and Development (UNCTAD) in Geneva earlier this month failed to produce any clear picture of the kind of agreements likely to emerge in the bard fibres sector.

A key problem is, of course, the veriety of market conditions for each kind of fibre and the concentration of production of each in just one or a few countries. For example, the world's main coir exporters—India and Sri Lanka—find it bard to take part in an umbrella agreement which would reflect the interests of producers of other hard fibres as well.

The consuming countries, mainly the U.S. and the EEC, are rejuctant to go further than endorsing regular consultations smong producers and consum-

#### Disappointing

As a result the negotiations As a result the negotiations closed on a note of disappointment last week with chairman M. Gallepe-Gastaldy of France saying the delegations bad "not gooe as far as we might have " in making concessions, Talks will continue in separate

groups each deoling with one vaciety of fibre but no date has yet been set for further negotiations concerning hard fibres as P whole. Hard fibres are used mainly to make certain kinds of twine and mots.

The most likely scenario for the future follows the lines of a Common Market proposal. Under this three seporate agree-ments would be concluded—one for abaca, a second for coir and a third for sisol and henequen. The three occords would be coordinated by a joint hard fibres council which would promote consultations and woold not bave decision-taking powers. The council's day to day tasks would be mainly edministrative. Projects endorsed by each fibre agreement would be fin-

Separate negotiations are gramme aimed at creating price stabilisation arrangements for 18 commodities, including hard

The U.S. msde s general statement backing the Community's proposol but has not yet clearly stated its policy. Tanzania, the msin aisal pro-ducer, and Mexico, the main

henequen producer, would like an international commodity agreement based on a reserve stock system which would be used to keep world prices with-in an agreed floor and ceiling. Under pressure from developing countries, the lodustrialised

countries went along with a request to UNCTAD to study the feasibility of such an accord, but both the U.S. ond the EEC said they doubted such a study's usefulness and reaerved their rights to reject its conclusions. Dispute arose among pro-

ducers and consumers over a programme of 46 projects drawn up by UNCTAD aimed at improving the competitive-ness of sisal and benequen and helping producers to locrease output. Consuming countries found that 15 of the projecta would bein only one producing country and refused to approve the list.

. The EEC also said it could not talk about any international agreement until the argument over the list's contents was

The Food and Agriculture

accord with help from the Organisation (FAO) is currently pisnned common financial fund. studying ways to stabilise abaca prices and most delegations felt underwsy for the fund as part that some kind of agreement of UNCTAD's integrated pro- may emerge at the next session of negotistions on bard fibres likely late this year.

A programme of abaca development projects in Ecuador and Philippines requiring \$7.7m (£3.47m) investment has been agreed in principle but some technical wrinkles remaio to be ironed out.

#### Consultation

India and Sri Laoka are aiready well on the woy to setting up Coir International-bosically a forum for consultations with consumers-and are keen to ensure that any Institutional arrangements for hard fibres as o whole, such as a joint council, should not damage their efforts to gain special status for coir as a problem deserving special rich country beip.

An FAO study on future market conditions for sisal says that current over-capacity in the production of polypropylenesisal's chief man-made rivalmight push down the synthetic'e prices inspite of rising costs of oil, the main input.

Another threat to sisal comes from generally shrinking demand for twine, whether mode from sisal or poly-propylene. But closures of foctories making the synthetic fibre might belp sisal to regaln soma of its lost market share

#### Brazil raises coffee price

BRAZIL has raised its minimum coffee export price for the third time in two weeks. The latest cents rise brings the price to \$1.90 a lb, just sbort of the \$1.93-1.94 level octually being osked on the world market, be-fore allowing for the 40 cents a lb discounts being granted to

The Brazilian price increase bad no impact on coffee futures prices, wbic's fell on producer

#### U.S. stockpile moves

WASHINGTON—Federal stockpile officials saked a House of Representatives appropriations subcommittee for \$169.9m to huy materials considered in deficit supply. Commissioner Roy Markon of

the General Services, Administration's Federal Property Resources. Service said that the U.S. government would use the funds to buy 18 commodities:

#### BRITISH COMMODITY MARKETS

Exchange. After dropping to £1,005 during the lote mer-office trading an among the pre-merket. Trading an attempt to £1,065 en the pre-merket. Owing to fresh buying and short covering. During the rinpe the price left back to £1,040 on profit-taking below rallying to around £1,050 on the kerb. In the attempon the market held etaady at £1,040, despite the wask opening on Comex and moved lurther cheed to £1,055 on renewed short-covering. However, with New York losing mere ground the market dipped to close the late kerb at £1,040 after £1,036. Turnover 32,750 tonnes.

COPPER Official - Unofficial -2 2 2 2 1045-5 -51.3 1058-40 -5 1962-4 -41.5 1000-1 --11 1048-0-82.5 -- ----Cathodes Cash .... 1005-6 -\$1,5 1003-0 +15 Cash .... 1005-6 -\$1,5 1003-0 +15 Cash .... 1005-6 -\$1,5 1003-7 +4 Settlem't 1006 -\$2 ..... +108-22 ..... 

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& months	7795-800	-377.	7890-900	-16
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TOTAL VOLUME IN CONTRACTS 0 = Call

Morning: cash £480, 90, 85, three months £443, 42, 41, 40, 41, 42, 43, 44, 45, 47, 49, 50. Kerb: three months £448, 47. Afternoon: three months £450, 52, 55, 54, 53, 55, 57, 55, 50, 62, 54, 53, 62, 63. Kerb: three months £462, 80, 56, 58.

ZINC—Rallied slong with lead. Forward metal traded barween £331 and £340 during the mering but edged higher in the atternoon to close the lete kerb at £345,5. Turnover 28,300 tonnes.

0	ZINC	a.m. Official	+ or	p.m. Unoffici	+ or
:	Cash O menths 2'ment Primw'ts	584 584	-0.6	345.e-€	+ 18.5
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•	back to	clase the	10 00	kerb at E	813.5
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	2, 5, 6, 7 12. Kerb noon: thr 20, 15, 1	5. 4, 14 three menths 5. 15. 17	, 12, tohth £818 , 16.	£812. 3, 17, 15, Kerb:	3, 11 After 19.5
	Months & NICKEL- ing at £3, £3,080 duratrongly is late karb over 684 to	Barnly ci 130 forworing the ring in the efter at £3,140,	hange ord m ings ernoor	d. After of the state of the st	iying

NICKEL	a.m. Official	+ or -	p.m. Unoffict'i	+
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ел	nonth	1866. 1807, 18 1887, 18 1898,	50p -1	26.	_	-12.5 -7.5
		Tumove				
130	0, 12	90, 85,	1300,	1290,	80, 7	5, 80,
		O. Ker				
		70, 65.				

1365, 60, 45. COCOA both ceece beans and products were spain neglected, both consumers and \$534, 8TD \$429, 8TB \$810, BTC \$499, BWD \$429, STB \$810, BTC \$334, BTD \$455, Juts poods April produces were content to stand oxide C and F Oundee: 40 in 10 oz £15.59, at current levels, raports Gill and 0 in 7.5 oz £12.01, a Twills £33.97. Ouffus. Yesterd'ys + or Business

	Ciosa		
	1372.74	~1.5	1575-60
y	1407-09	-4.5	1418-02
y	1422-25		
D	1445.45		
C	1483-89		1494-85
reh			
y <u></u>	1990-00		
			10 tonnes.
P		41	Onite area

(U.S. cants per pound). Oeily price March 10-140.63 (140.89); Indicator pilce March 11: 15-day avamps 142.29 (142.87); 22-day everage 145.06 (145.39).

#### COFFEE

Atter opening sround- unchanged lavels Robustos soon weeksnad under commission house long liquidation and losses of ES-E17 were replicated, asports Oraval Rumham Lambert. However producer and Irada participation litted values sharply and by midday earlier losses had been amaded. Stoploss orders were trippered as the market fell below moont support levels. market fell below moont support levels at the closing call.

COFFEE	Closs I	or Busine
	£ per tonne	Dane
March	1 1 2 1 2 1 4 - P	1.5:1230-1
May	1643.45 B	7.5 1571-4
July	1670-72-3	5,5,1707-07
Bept	1705-0a 3	6.0 1740-0
Nov	1703-06;3	
January	il 028-704-4	.0) -
Maroh	1070-80-1	a,5 —
	2 (4,644) lots o	

ICS Indicator prices for March 10 (cents per pound):01her Mild Arabicas 187.57 (188.83); Robustas ICA 1978 173.25 (174.751; ICA 1968 173.50 (175.00); Unwashed Arabicas 204.00 (samo); Comp. daily ICA 1968 152.53 192.81).

LONDON GRAIN FUTURES—Old clops moved lower on aggressive commercial solling but strong shipper support steaded the merket. New creps came

	Aeil.	ontrip e	ouging	are dib
MEA	7			BARLEY
d nth	Yest'rda; close	y + or	Yest'r	day + or
for lay-	94.60 a7.60 a4.55 98.30 100,30	-0,20 -0.60 -0.60 -0.30 -0.25	95.70 az.00	-0.36 -0.25 -0.30
Rust	dos	a_Ut/he	at Mar	el 97 76

Business done—Whoat: March 93.70-93.60. May 95.90-96.50. Sept. 94.35-94.00. Nov. 99.35-81.5. Jan. no trade. Seles; 286 lots of 100 tonnes. Barloy: March 93.10-93.00. May 95.85. Sept. 92.05-91.70. Nov. 96.30. S6.00. Jan. ne trode. Seles: 132 lots of 100 tonnes. IMPORTED — Wheat: U.S. Oark Northern Spring No. 2 14 per eart March 99.00. April 97.75. May S7.25 transhipment east costs. Meize: U.S./ Franch Merch 116. April 117 transhipment east cost. South African Yollow April 75.50. Barloy: English Feed home April 75.50. Barloy: English Feed home March 99.50, April 100.50. April/June 101 sest costs. Rest ungugled, NGCA—Localisnol ex-form appt prices. Feed berley 5. East S3.80. 5. West 94.90. W. Midlands 94.10. N. West 94.90. W. Midlands 94.10. N. West 93.30. Milling wheat W. Midlands 97.40.

LIVERPOOL—Spor and shipmant sales amounted to 103 tennes, bringing the total for the week so far to 670 tennes. Germand electened, but lenvard interest was still sustained ng users. Operations were mainly in American aryles, with mixed appropri

BTO £204, C and F Antwero April: BWC \$499, BWD \$429, STB \$510, BTC WOOL FUTURES

# RUBBER

The London physical market opened sesier, with pood interest at lower levels, closing on a steadlar note. Lewis and Peel reported & Meleysian podown piles of 323 nom. (330 nom.) No. 1 R.S.S. Close | Close Done

Yest'rd'y +or Business Close - Dono E 

Sales: 83 (66) lety el 100 tonnas. SUGAR LONDON GAILY PRICE (new suger):
2005.00 (2230.00) a tonne dil for MerchApril shipment. White suger delly
price was £222.00 (£250.00).
First trades in May were above terb
levole but keen selling pushed May
£10 down. On reuppening prices lell
lurther beform railying after New York
quolations moved higher, reports
£. £2annikow.

quotations moved G. Czamikow. Pref. Yest'rdays Previous Business Come Close Close Done March .205.06-210.0916.00-222.0.116.00-205.0 May .... 221.56-224.024.25-35.00-228.56-211.0 Aug .... 225.56-225.7243.00-46.50-242.00-225.8 Oct .... 244.00-244.09251,56-82.00-251.00-240.0

10nnss.
NUMBER 4 CONTRACT—Closs (In older buyes, seller only). May 222.50, 224.07, August 236.50, 238.00; Oct 235.00, 748.00; Jen. 248.00, 251.00; March 253.05, 258.00; May 253.00, Sales 306 (273).
Tato and Lyle 8s. relinery price lot consultate has a white sunger was granulated basis white super was f321.7 (same) e fanne for home trade and £289.00 (£321.00) for export. International Sugar Agmenetit (U.5.

#### PRICE CHANGES

UOOON NEW ZEALAND CROSSAREDS—Closs (in order buyer, salles, business, sales). New Zealand cents per kito. May 398, 404, nil, nil; Aup. 411, 418, nil, nil; Gct. 414, 418, 415, 415, 415, 415, 111, 111; Merch 422, 425, 422, 2; May 424, 430, nil, nil; Jen. 314, 416, nil, n 

Wolfrm 22,04 (b., §144,149 + 1 | \$189,144 Zino cash .... £237.6 + 19,5(£321 5 months ... £248.75 Producem ... \$825 | \$789,826 \$789,826 Seeds Copre Philip.... \$520 Soyabean(U.S.) \$279= Grains Barley Futures £90,70 Maize -0.35 £100,40 £117.60

r March. a June. v May. t Merch-April. u April. w April/May. x July. z Indicator. § Zuyer. † Par 76 lb floak. canta per pound fob and atowad Mai Ceribbean port). Prices for Merch 10; 0sily prices 19.49 (20.47); 15-day sverage 21.89 (22.19).

HIOES—Birminghare: Reactinp to stronger interest. Second cleers. Ox 31-35.5 kilos, 54.50 s kilo (42.3p s kilo); 25.30.5 kilos, 50.8p (47.3o); 22-25.5 kilos, 54.5p (60.2p). Light cows 52.0p (50.0p s kilo withdrawn). GRIMSBY FIBN — Supply good, demand good, Priess at ship's side (unprecessed) per stone: Shall cod £4.00-£4.90, codlings £2.80-£4.20. Large haddeck £3.70-£4.00, medium £3.30-£3.80, small £2.00-£250. Sear smell pleice £3.00-£3.90. Lamon soles (targs) £10.00, medium £3.00. 5aithe £2.00-£2.20.

**MEAT/VEGETABLES** 

MEAT/VEGETABLES

MEAT COMMISSION—Average lossible prices at representative markets en Merch 11. GB cattle 81.40p per kg iw (+1.11): UK sheep 160.1p per kg ex dcw (+1.5); GB plgs 65.6p ppr kg iw (+2.2).

6MITHFIELD—Pence per pound. Beef: Scottish killed sides 84.0 to 88.0; Eire hindquortem 75.0 to 77.0, lerequortere 47.0 to 50.0. Lamb: English smell 50.0 to 70.0, "English errell 73.0, medium 54.0 to 68.0, heavy 46.0 to 64.0; Scottish heavy 46.0 to 64.0; Scottish heavy 46.0 to 64.0; Mitter of 64.0; Mitter of 65.0, heavy 46.0 to 64.0; Scottish heavy 46.0 to 64.0; Pork-English, under 100 ib 42.0 to 48.0, 100-120 ib 40.0 to 48.0, 120-160 ib 39.0 to 44.0. "Special quotation—Very high quelity preduce in limited aupply. COVENT GARDEN—Prices in starting per package except where otherwise stated: Imported Produce: Granges—Spense: Navets 4.00-5.00; Jette: Shemousi 50/1898 4.20-5.46; Moraccen: 94/1138 4.00-4.20; Cyprue: Valencia

#### and speculator selling. anced by participants to the AMERICAN MARKETS

NEW YORK March 11.

OEALER SUYING provided considerable support for geld. Silver still suffered heavy loasoe. Supar closed mixed with distrant moniha- off the limit. Cocoe finished streng on raports of lurther distrant moniha- off the limit. Cocoe finished streng on raports of lurther distrant moniha- off the limit. Cocoe finished streng on raports of lurther distrant has docline in cotton attrected trade interest. Copper advanced withtan in a vary serrow mapor, reported Helmold.

Potatoes (resund whittan)—Aoril 45.4 (47.8), May 77.8-98.4 (58.5), Nov. 73.5.

73.8. Selse: 710.

Copper—March 101.20 (95.00), April 102.00 (99.50), May 103.30-103.50, July 106.00-105.0, Jen. 111.80. March 111.50. Jen. 111.80. March 112.00. Sept. 377.0, Occ. 3527.0, July 23.375.0, Sept. 3447.0, Occ. 3527.0, July 23.375.0, Sept. 3447.0, Occ. 3527.0, July 23.375.0, Sept. 3447.0, Occ. 3540.0, July 23.57.0, July 23.57.0, Sept. 3447.0, Occ. 3540.0, July 23.57.0, July NEW YORK, March 11. ##Maize—March 260'r-260's (261's), IG provided considemble May 270's-271 (271's). July 283-283's.

#### **EUROPEAN MARKETS**

EUROPEAN MARKELS

ROTTEROAM, Merch 11.

Wheet—U.S. No. 2 Red Winter April 5195. U.S. No. 2 Northern Spring, 14 per cent, Merch 5200, April 5195, Mov. Merch 5231, 20, June 5197. Rest unquoted. Soyabeans—U.S. Two Yellow Gulloorta Merch 5260, 50, July 5275, Aug. 5276, 50, Sept. 5282, Oet. 5283, Nev. 5285, Oec. \$291, Jen. \$295, Feb. \$302.

March \$304.75 sellers. Aug. \$277.50 peld.

Soyameal—44 per cent preteie 1.S. Merch 2290, May 2320. Seles at cell 1.

isych 3225 fradad, Blicatt 3227. MB/Ch	Merch 2250, May 2320. Sales at Ca
INDICES	DOW JONES
FINANCIAL TIMES	Dow Mar Mar.   Month   Ves
Mar.10 Mar. 7 M'nth age Year ago 294.52 300.65 314.48 275.67	Spot 414,P9 427.38 460.00 573.4 F'tur's 443,48 451,12 470.16 386,6
(Base: July 1, 1952-100)	(Average 1824-25-26=100)
MOODY'S	REUTERS

Latos 3.90-4.20. Ortaniques—Jamercan: 54/1269 8.50-7.25. Satsumas—Spania: 95/1639 3.40-4.30. Wilkings—Spania: 95/1639 3.40-4.30. Wilkings—Spania: 100/1508 4.20-4.50; Cyprus: 15-kg 84/1209 3.40-4.30; Cylliprinen: 99/165e 4.80-8.00; Aricean: 89/1209 5.0-5.80. Gmpofruit—Cyprus: 20-kg 3.20-4.40; Jaffe: Larpe boses 32/86s 4.00-4.80; Floride: Pink flesh 36/48s 5.20-5.40. Apples—Franch: Gelden Oelierous, boxes 40-lb 138/175e 4.50-5.80, 20-lb 2.20-3.00; Granny Smith 20-lb 2.60-3.60, 2terk-chimeon apprex. 20-lb 72s 3.00; 40-lb 6.80-7.00; Italian: Granny Smith 20-lb, per pound 0.16-0.17, Jonathen 0.09½. Sterking 0.10-0.14. Romes 0.10. Pears—S. African: approx. 34 lb Williams Bon Chmtlen 6.80, Baurre Holdy 0.20, Beurre Bose 5.80, Grapes—S. African: Parpound Bungold 0.60-0.70. Avocadea—Israeki: 4.00-4.20. Melona—Chilesen: White S.00-9.50, Green 10.50-11.50; Colpmblan: Gman 10-kg 6.00-6.50. Pineapples—Ivory Coast: Each 12s 0.50-Pineapples—Ivory Coast: Each 12s 0.50-Pineapples—Ivor

1390,5 1576.0 1487.1 1055.2

0.80, 6e 1.00-1.10; C. Africon: B/Bs 2.70-3.40. Bananse—Jentanican: 26-6 0.17, Onlone—Spanish: 4.50-5.80; Outch: 3.50; Cenadian: 50-16 4.30. Tematoes—Cenary: 4.50-5.50. Lettuce—Dutch: 24a 2.40; Fronch: 0.90-1.00. Cucumbers—Canary: 14/18s 1.60-2.40; Outch: 3.50. Cenalcumber—Canary: 14/18s 1.60-2.40; Outch: 3.50. Cenalcumber—Canary: 14/18s 1.60-2.40; Outch: 3.50. 242 2,40; Fronch; 0.50-1.00. Cuclumbers
—Canary; 14/18s 1.80-2.40; Outch: 3.50.
Capalcums—Canory; Par approx,
S kitos 5.40; Cuban; 4.50-4.70, Celery
—Israeli: 30/28s 3.00-3.50; Spanish;
12/36s 3.0-3.60; Californian; 38s 7.20,
Chicory—Belgian; 5-lb 1.60-1.80,
Potatos—Itelian; Joses 20-4b 2.20;
Egyptian; White 4.20. King Edward
4.60-4.70; Canary; 7.40; Cyprus; Newper pound 0.20. Oatas—Tuniasan; 30a
per box 0.34-0.40. Cauliflowers—
Franch: 24e 6.00-6.20; Jemey; 5.50.
English Produce: Potatoes—Per bag
2.30-2.80. Mushrooms—Per pound 0.55.
0.65. Apples—Per pound Sremley 0.09.
0.15, Cox's Orange Pippin 0.13-0.20,
Pears—Par pound Contamnes 0.070.14, Coyeca 0.16-0.22. Swedes—Per
25/28 lb 0.60-0.70, Tuntips—Per 28 fb
1.0. Sprouts—Per pound 0.06-0.07,
Carrots—Per bap 0.50-1.00,

1758.0 1765.5 1840.e 1539.0

(Best: September 18, 1831 -100)

# Golds tumble and index sustains biggest-ever loss Gilts and equities edge forward—Oils steadier

Options

\*First Declara- Last Account Dealings tions Dealings Day Feb. 25 Mar. 6 Mar. 7 Mar. 17 Mar. 10 Mar. 20 Mar. 21 Mar. 31

A quiet and usually 6rm sccoe io stock markets was unarred yesterday by a steep slide in South African Gold shares and by a lesser setback in Australian mining issues. The former ran into formidable selling from a variety of sources generated by lower bullion prices for the latter sector was unsettled by the continued liquidation of speculative positioos in hase-metal and

commodity markets.
Gold shares were unable to sustain a recovery until the late dealings and theo prices came away from the lowest fairly rapidly. Losses, however, still ranged to pearly four points day fall of 38.9 to 298.6. Australian miniog and exploration although selected leaders finished issues fell on the late oversight a shade firmer along with the weakness to hase metal prices.

iog statistics. However, late close without much alteration on scattered offerings, some on the day. Elsewhere, Cementboth ends of the market from about 1 to 2. Hopes that the protracted steel dispute would protracted steel dispute would half-yearly profits prompted a soon he settled also helped seotiment generally.

Other bright spots included SGB. ment generally.

hearted for the first hour or so but grew more confident in the aosence of any further falls in the Oil majors and the more speculative secondary oil stocks. Trade throughout the sector was much quieter than of late with Brush Petrolenm holding at around 362p ahead of tomorro

prelimmary results. Shell regained fi to 382p. The treod in leading in-dustrials was illustrated by the FT 30-share index which was 0.8 easier at the first calculation of the day, that much firmer at noon steadily and closed only at the former has and finally 3.3 up on halaocc at after 72p. Elsewhere in Stores. closure that the former has acquired a near 10 per cent stake and rose 6 to 145p and Bakers in the company and the stored with the optable exceptions of Guest Keen and Turner and Newall, the latter rising fi to 127p awaiting today's preliminary

Activity in Traded options was today's preliminary results.

peoce to 144p. Rownfree further reduced with only 494 Leading Electricals rarely Mackiotosh shed a penny more contracts completed compared strayed far from overnight to 143p, while United Biscults

Sedgwick Forbes up Lloyds hrokers were featured by a rise of 4 to 97p, after 98p, in Sedgwick Fornes following in Sedgwick Fornes following satisfactory preliminary results. Other issues hardened in sympathy with Minet up ½ at 100p and Hogg Rohlnson a couple of pence dearer at 108p. Composites closed quietly firm. Royals gained 3 to 333p and GRE 2 to 240p; the latter's annual results are due on April 9.

The major clearing banks took a modest turo for the better. Lloyds closed 4 higher at 286p following the annual report, while Midland edged forward a penny to 326p ahead of Friday's penny to 326p ahead of Friday's results. In merchant banks, Browo Shipley were favoured at 302p, up 6, but Hambros relinquished 5 to 330p UDT hardened a penny to 55p in helated rapidly. Losses, however, still ranged to nearly four points among the marginal and heavier-priced producers. The FT Gold Mines index, in consequence, suffered its largest ever single-point and finished 2 hetter at 37p.

Breweries remained listless. although selected leaders finished

market treod. Whithread, 141p. Bass, 220p. and Arthur Guioness. Meanwhile Government securi-lies continued to edge forward and the tone was mildly encouraged by February's bank-Building leaders picked up to the day. Elsewhere, Cement-Roadsione responded to the preliminary figures with a rise of 4 to 82p, while the recovery in

up a similar amount at 262p, and Vihroplant. 10 higher at 290p. ICI fluctuated narrowly before closion nochanged on the day at 370p. Elsewhere in the Chemical sector, falls of a few pence were marked against Brent. 226p, Cata ...... 78p. and Allied Colloids,

Status Discount good

A Press suggestion that MF1 may launch a hld for Status Discount sparked off speculative steadily and closed 6 up at 71p. Household improved 2 to 99p. The leaders failed to attract eased 1p to 151p. Elsewhere much husiness but closed firmer among generally firmer Foods. for choice, Woolworth hardened

of 772. The noly issues to altract a reasonable business were Shell, 121. RTZ, 103, and BP, 101. trend lower. Elsewhere, scat-lered support litted Etectronic

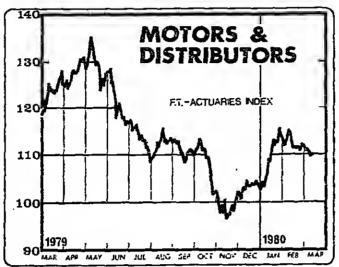
Rentals 3 to 109p, but Louis New-mark, a particulary good market of late, reacted 8 to 330p in a limited market. BSR improved a penny to 33p awaiting, today's preliminary results, while Dubillier hardened a shade to 41 p following acquisition news. Rising hopes that the steel dispute cauld come be cettled dispute could sonn be settled gave a small boost to confidence to the Engioeering leaders. GKN

gave up 3 to 87p. Dull of late on fears of poor results due to 120p, and ICL, to 136p, Negrelti increased VAT rates. George and Zamhra relinquished 31 to Basselt ratied 4 to 66p. Alphne 561p. Soft Drinks lacked support and fetl 5 to 90p. Grand Metropolitan made

better at 132p, and Trusthoose Forte added 4 to 179p Turner & Newall firm

modest headway in thin trading and closed a couple of pence

An unsettled market of late following Mr. Mugahe's success in the Rhodesian election. Turoer and Newall revived



edged up 7 to 275p and Hawker firmed 4 to 178p, while Tohes, 294p, and John Brown, 56p, both closed a shade dearer. Joterest in secondary issues was at an extremely low level and quotatioos were rarely altered. Among the few changes, Ductile Steels responded to hetter-thao-expected to 92p. Alexo Aluminium con-tinued firmly and put on 3 more to 108n, but Amalgamated Power,

a receot speculative favourite, reacted 3 to 92p.

Despite a denial from S. and W. Berisford of any takeover intention. British Sugar continued to draw strength from Monday's dis-Improved 10 to 170p; Berisford Associated Dairies rose 6 to 184p. a fraction to 68/p awaiting while Tate and Lyle added a few Activity in Traded options was today's preliminary results.

Peoce to 144p. Rowntree

resterday with a rise of 6 to 127n on having ahead of today's pre-

miscellaneous industrial leaders traded around the overnight levels for most part of the day hefore edging a penny or two higher late. Reckitt and Colman finally added 4 to 204p and Boots put on 2 to 192p. Johnson Matthey fell 12 to 250p reflecting the sharp drop in precious metal prices. Vinten were sold down to 126p before closing a net 6 lower at 132p. Johnson Group Cleaners gave up 3 to 172p. after 170p. after the results and Pentos closed a peony off at fi0p, after 56p, also after trading news. Still drawing strength from the

advance of 24 to 122p, while Stag

on 2 to 1580 following the better-

56ip.
After early firmness, support for Rolls-Royce fell away or reflection of Mooday's pre-

reflection of Mooday's pre-liminary results and the shares ended 21 lower oo balaoce at 631p, after 67p. Other Motors were irregular. Lex food sup-port and hardened 21 to 921p, hut Callyns, 183p, and Apple-yard, 75p, both shed around 3. Reflecting hopes that interest rates have peaked. Properties made further useful progress although demand was fairly modest. Land Securities led the advance with a rise of 7 to 300p, while DEPC gained 6 to 204p and Great Portland Estates rose 5 to 235p. Peachey appreciated 4 to 138p as did Stock Conver-sion, to 372p, London Provincial

Oils better

Oil shares took oo a distinctly hetter appearance after the recent sharp setback. Following news of the agreed counter-bid from Suo Company Inc., dealings resumed to Viktog Oil at £10. compared with the suspeositor price of 910p. News of the Viking offer eocouraged scattered support for other secondary North Sea issues, with Slehens (UK) rallying further to 600p hefore settling at 570p for a rise of 20 on the day. Lasmo firmed 10 to 460p, while recent newcomer Berkeley Explora-tion closed 5 dearer at 100p, after 102p. Elsewhere, Wecks Petroleum closed 10 lower at after 102p. Among the leaders, BP, awaiting tomorrow's preliminary results. firmed to 366p before closing a few pence cheaper on the day at 362p. Shell, however, ended 6 to

the good at 382p.
Movements to Trusts were limited to a few pence either way. Among Financials, Among Charterhouse Group encountered selling and gave up 4 tn 72p, Rohert Kitchen traded firmly and improved 5 to

125p. Shippings inclined were harder. Awaiting fresh developexcellent interim figures, Parker ments in the bid situation, Knoll A rose 9 to a two-day Forness Withy railled 5 to 370p. Modest rises were again the Furniture scored a sympathetic order of the day among quiet rise of 5 at 183p. J. Bibby put Textiles. Mootfort firmed a Textiles. Mootfort firmed a penny to SSp in front of today's than-expected annual results and annual results, while Sirdar Gripperrods rose 4 to 192p on added 2 to 104p on speculative revived speculative support. demand. Lister picked up a Applied Computers added 5 to penny more to 68p, but recently

15p, while Coats Patons added 1½ to 46p and Tootal closed a penny to the good at 27p.

Bais continued the recent recovery and hoth issues rose 5, the Ordinary closing at 238p

gold prompled weakness among South African industrials. Abercom and South African Breweries fell 9 and 7 respec-tively to the common level of 125p, while Barlow Rand lost 20 to 425p.

Shop jumped 12 to 306p and Estates and Ageocy improved 3 South African Gold shares suffered their higgest ever one-day fall as the hullion price lost ground for the fourth coosecutive day to close \$17 down at \$568.5 an ounce. Heavy overnight Americao offerings saw quotations marked down sharply at the outset. The market then encountered a

further wave of selling from Johanneshurg Continectal sources. This continued for the rest of the day until bear closing and "cheap" buying from the U.S. in the after hours' husiness prompted a minor rally. Nevertheless, the Gold Mioes lodex retreated a record 38.9 to 298.6 hringing the fall over the past three trading days to 70.7 or 19.1 per cent.

to 532 with Harlebeest that amount lower at £251, Durban Deep dropped a like amount to £11½, after £10½, Free Slale Geduid £3½ to £23, and St. Helena £2½ to £14½. Medium- and lowerpriced issues showed Southvaal 139 off at 986p, Harmony 124 down at 795p and Venterspost 11st cheaper at 538p.
The heavy selling of Golds

spilled over into Financials where Gold Fields of South Africa gave up £21 to £381, Anglo American Corporation 40 to 540p, Johnnies a point to £31 and Transvaal Consolidated Land £2

and the Deferred at 235p.

The sharp fall in the price of

Plantations floished a shade Guthrie added 5 to 760p, while revived takeover speculation helped Loodoo Sumatra, at 402p, to recover most of the previous day's fall of 15.

(29/2/80) (17/4) (22/6/57) (25/10/7) Speculative 67.4 56.7

easier at 384p. Heavyweights sustained losses

LONDON TRADED OPTIONS

Ex'retseClosing | Closing | Closing | Price | Offer | Vol. | Offer | Vol. | Offer | Vol. | Offer | Vol. |

68 28 80

Aplit.

23

10

down at 268p and Rustenburg' 38 cheaper at 234p.

lower at 60p and Samantha 10 off at 80p. Leichardt Exploration

	Mar.	Mar.	Mar.	Mer.	Mar. 5	Mar,	A year
Government Secs	64,18	64.15	63.86	85.94	64,31	63,26	72.64
Fixed Interest	64,76		64.72	54.74	64,86	64,80	72.56
Industrial	465,5	462.3	455,7	458.0	450.4	455, 1	506,6
Gold Mines	298,6	337.5	352,3	369.3	364.7	366.2	170.0
Ord. Div. Yleid	7,42	7,48	7.39	7,38	7,31	7.37	5,52
Earnings, Yld. % (full)	16,42	18,56	17.87	17.79	17,68	17.85	14.32
P/E Ratio (net) (7)	e.53	6.08	6,85	6.89	6,98	6.87	9.09
Total bargains	20,284	20,341	23,075	21,658	20,274	22,820	<b>–</b>
Equity turnover &m.	_	90,77	128.88	106.66	105,47	100,68	174.10
Equity bargains total	_ f	16,024	17,788	16,211	16,497	17,626	38,608
10 em ≼51. 2esis 100 Govt. 1/7/35, Gold Mines	2 pr Late Secs.	m 453.2. et Inde "Na: 13/10/2	3 pm 4 01-248 -6.37 5. Fixe	153.7. 8026. d Inc.		53.3. Industrie	ei Ord.
HIGHS A				-	. AC	TIVIT	Υ

			SE Act		-Dec. 1942. S.E. AC'	TIVIT	Y
	19'	79/80	Since Co	ompilet'n		Mar.	Mar.
	High	Low	High	Low	<u> </u>	;	
t Secs.	76,91  4/81  77,76	63.80 (16/12) 64.06	127.4 (311/56) 160.4	00,00	Daily Gilt Edged Industrials Speculative Totals	116,0 128.5 71.7 25.9	141,2 122,8 51,1 90,2
Ord	(5/6) 658.2 14/5]	406.3 (15/11)	558.6 (45/78)	(8) 1/75) 42.4 (26/6/40)	5-d'y A'Yr'ge Gilt Edged.	139.5	147.5

De Beers fell to 420p, depressed by the poor performance of the South African market generally, before rallying to close 20 off on balance at 430p following the 1979 results.

Londoo Financials encountered heavy selling during the early trading but prices tended to steady during the afternoon. Gald Fields ended 22 lower at 496p, Selection Trust 25 down at 730p and Rio Tinto-Zinc 13

Depressed prices for copper and free market platinum prompted large-scale selling of the producers. In Coppers, RCM dropped 37 to 190p. while Platinums showed impala 50

Australians mirrored weakness of metal prices. Among the leaders Bongainville gave up 18 more to 168p, North Broken Hill 8 to 160p, North Kalgurli 8 to 53p and Pacific Copper 26 to 184p. The speculative stocks fell heavily with Lennard Oll 25

498p

383p

were aggressively sold after the latest progress dropped 60 to 345p.

# **NEW HIGHS AND**

NEW HIGHS (13) Brown Shipky BUILDINGS 11)
Lawrence IW.)
CHEMICALS (11 ELECTRICALS (2)
Farnell Electronics
INDUSTRIALS (5)
Parker Knoll A
MacLellan (P. & W.) Crystalate

OVERSEAS TRADERS (1) Malay Dredging MINES (1).

NEW LOWS (34) FOREIGN BONDS (3)
Greek Yng 2 1956 AS.
Greek Apc 20 Stab As.
Greek Apc Mixed Ass.
MARKICANS (9)
Barnes Group Norton Simon Inc. CAANADIANS (3) STORES (1) Amber Day ELECTRICALS (1) Philips' Lamos (1)
ENGINEERING (1)
Norton (W. E.) FOODS (1) INDUSTRIALS (5)
res Hyman II. & J.)
Pret, I.C. Industrial
Platignum Emhart Con. Platignam (1) (2) (2) (Combined Ins. of Engla Final America Spc Conv. LEISURE (1)

#### RISES AND FALLS YESTERDAY

PROPERTY (11

	Up	Down	Same
British Funds	69	7	20
Foreign Bonds	22	4	40
Industrials	206	<b>Z3</b> 4	956
Financial and Prop.	133	71	291
Olis	14	18	14
Plantations	3	17	14
Mines	4.	109	38
Others	20	73	72
Totals	471	519	1,447

#### UNIT TRUST SERVICE

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#### OFFSHORE & OVERSEAS—contd.

## FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	Tı	es., 1	Aar. 1	1, 198	30	Mor. Mar. 10	Fri . Mar. 7	Thurs.	Wed., Mar. 5	Year ago (aport)
Figu	& SUB-SECTIONS Figures in parentheses show number of stocks per section		Day'r Change	Est. Earning: Yield % (Mar.)	Gross Div. Yield % IACT at 30%	Est. P E Ratio (Net)	Inder No.	irder lio.	lraec Ha.	Index No.	Index No.
1	CAPITAL GOODS (172)	243.31	<b>+0</b> 3	18.02	6.45	6.98	242.52	265 78	244.41	245.34	257.30
2	Building Materials (28)	236.84	+0.2	16.75	6.61	7.63	236 41	236.92	237.67	239.60	235.45
3	Contracting Construction (28)		+0.1	25.61	6.54	4.77	369 75	371.00	373.34	372.07	390.35
4	Electricals (151		+0.4	12.93	4.00	10.30	621.96	627.24	630.56	632.07	611.24
5	Engineering Contractors 1111	285.23	-0.4	25.96	8.97		286.44	289.04	289.78	293.05	395.81
8	Mechanical Engineering (74)	166.57 169.50	+0.4 +0.6	20.63	7.83	6.01 5.79	165 88	165.57 169.18	166.29	167.26 169.14	196.65 172.33
•	CONSUMER GOODS	107.50	<b>∓</b> 0.0	2033	7.14	3.73	100.40	109.10	100.77	107.14	1/2-35
ונב	[DURABLEX50]	218.46	+0.4	16.32	5.70	7.53	217 65	218.77	219.54	223 10	231.65
12	Lt. Electronics, Radio, TV (15/	308.91	÷0.4	12.44	4 31	10.30	307.56	309 03	310.20	316.60	107.86
13	Household Goods (14)	108.12	+0.5	28.11	10.14	4.21	107.59	109 05	109.22	110.04	167 05
14	Molors and Oistnbutors (21)		÷0.2	24.23	8.50	4.84	109.83	110 30	110.64	111 15	124.40
21	(NON-OURABLE) (1731	221.29	+0.5	18.27	6.92	6.74	220 23	220.70	222.71	223.31	241.60
22	Breweries 114)	266.84	<b>~0.2</b>	16 57	6.58	7.09	266.32	267 15	268.93	268 87	258 19
23	Wines and Spirits (5)	30291	-0.1	17.92	6.12	6.89	303 21	301 24	305 73	305.53	346 85
24	Entertainment, Calering 171	308.16	~1.3	17 98	681	6.95	304 35	305.56	110 90	312 63	315 45
25	Food Mamifacturing (19)		~0.1	20.61	7.51	6 00	197 55	198.05	199.82	200.18	220 51
26	Food Retailing (15)	306.88	+05	13.53	4.89	8.83	305.29	305 15	308.10	106.66	279 38
32	Newspapers, Publishing (15:	426.72	+02	23.65	7.10	5.77	426.03	428 75	436 10	436.51	424.53
33	Packaging and Paper (25)	128.44	+0.4	23.19	8.86	5.55	127,87	123 T8	130.61	131.39	148 67
34	Stores(43)	222.78 129.66	~0.3 ~0.8	13.81 27.38	5.11	9.36	222 07 128 64	223 48 128 24	224.51 128.56	224.95 130.00	229.87 184 12
35	Textiles(24)	201.51	~17	28 90	11.88	3.93	198.14	195 74	199 40	202.38	291.21
36 37	Toys and Games (5)	35.00	~0.4	42.97	14.50	2.86	34.85	34 79	34 83	35.02	92 23
41	OTHER GROUPS (97)	204.61	+0.2	16.93	7.05	7.10	204.23	207.24	208 13	209.73	217 05
42	Chemicals (17)	296.52	+0.1	20.65	8.02	5.54	296.37	306 Q0	106 79	307.68	304 82
43	Pharmaceutical Products (7)	211.30	÷0.3	12.05	6.05	10.12	210.74	213.38	211.89	214 14	268.06
44	Office Equipment (6)	115.94	+0.7	18.24	7.05	6.38	115 10	115.83	117 56	121.27	147 20
45	Shipping (10)	468.08	0.3	11.31	6.90	11.28	469 68	471.15	478.18	489 45	426.99
46	Miscellaneous (57)	243.54	+0.3	16.58	6.65	7.64	242.87	243.55	245.37	247 10	23977
49	INDUSTRIAL GROUP (492)	229.64	+0.4	17.74	6.74	6.94	225.61	3022	231.57	232.77	246.38
52	Oils (81	772.00	+0.4	20.80	5.79	5.07	768.71	808 05	B24.02	840.16	620 67
59	500 SHARE INOEX	272,48	+0.4	18 40	6.54	6.43	271.47	275.74	278.20	230.53	277 05
61	FINANCIAL GROUP (117)	194 21	+0.6		5 90		193.05	193.60	195 56	1%.79	195.16
62	Banks/6/	212.89	<b>+0.4</b>	42.45	6.68	2 92	212.14	236 03	218 80	222.28	226.28
63	Oiscount Houses (10)	212.92			9.37		212.83	213 25	214.29	214.49	245 42
64	Hire Purchase (51	187.90	+1.1	17.48	5.28	7.43	185 94	186 12	186 62	186 73	181 16
65	Insurance (Life) (10)	173.32	+0.1 0.2	_	6.07 7.79	-	173.22 125.87	172 79 125 25	175 40 126 00	174 39 127 41	151.88 142.23
66	Insurance Composite/ (3)	126 17 285.98	+17	1724	6.85	8.34	281.17	284 07	285 13	287.17	336 81
68	Merchant Banks   141	102.57	05	1	5.90		103.12	103 33	101 73	104.10	90.56
69	Property (44)	371.60	+1.5	3.61	2.97	39.69	366 34	363.98	368.22	368.91	329 12
70	Miscellaneous 19	129.28	-0.4	16 07	7 07	8.17	129 81	130.55	132.15	130.89	124 19
71	Investment Trusts (109)	217.91	+0.3		5.97		217,20	219.14	221.31	221 66	234 23
81	Mining Finance (41	197.53	-37	11 67	4.48	10.40	205.04	210.07	216 39	216 35	130 01
91_	Overseas Traders (20)	398.39	-1.1	12.72	6.76	9.63	402.62	411.39	416 69	415 95	361.40
99	ALL-5HARE INDEX(750)	253.99	+0.3		6.34	_	253.34	256.78	25931	261.19	255 27

FIXED INTEREST PRICE INDICES							FIXEO INTEREST YIELDS Brush Gov. As. Gross Red.			Mon. Mar. 10	Year ayo (aperox.)
	British Government	Tues . Mar. 11	Day'; change	अर्थ क्या १०देव	27 7ds. 1980 10 date	1,	Low Coupons	5 years	13.12 13.02 13.02	13 15 13.01 13.03	8 97 10.54 11 37
1 2	Under 5 years	100.49	+0.21 +0.20	_	2.30	5 6	Medium Coupons	5 years	14.96 14.61 14.39	15.06 14.62 14.41	11 28 11 94 12 09
3	Over 15 years	107.10 118.32	+0.21	_	211 1.78	7 8 9	High Ecopolis	5 years	15.11 14.92 14.79	15.17 14.96 14.82	11.62 12.41 12.53
5	All stock 5	103.25	+0.20		2.16	10	Irredeemable	S	12.49	12.46	10.96

	Tues., March 11 Index , Yield No. : %	Mon. March M	Fri. Parch	Thurs. March S	Wed. March 5	Tues. March 4	Mon. i March	Fri. Feb.	Year ago aporox
s (15)	50.06 :14.76	50.05	50 13 i	50.20	50 10	50.35	50.29	SO 32	54 68

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in inday issues. A new list of the constituents is available from the Publishers, the Financial Times, Stacken House, non Street, London, ECAP 48Y, price 15p. by post 25p.

Investment Trust Prefs. (15) 47.70 13.88 47.61 47.55 47.55 47.55 48.15 48.15 50.39 Comi. and Iodi. Preis. (201 61.26 14.61 61.14 61.08 61.04 61.16 61.41 61.55 61.44 70.77

# **ACTIVE STOCKS**

			~ ~~~	~~~		
_		No.				
De	enomio	a of	Closing	Chaoge	1979-80	1979-80
Stock	tlon	marks	price (p)	on day	hlgh	low
RTZ	25p	15	284	-13	492	226
LASMO	25p	10	460	+10	528	124
Shell Transport	25p	10	383	÷ 6	410	278
BP	25p	9	362	- ž	414	2204
Cons. Gold Flds.			496	$-2\bar{2}$	617	178
Burmalı	44	8	217	+ 2	249	82
Ultramar	25p	Ť	500	+10	526	197
Barclays Bank		6	420	_	514	360
CI		6	37Ŏ		415	314
mperial Group .	25 n	ñ	76	÷ 1	108	711
Turner & Newall		6	127	τŔ	176	108
Western Mining .		0 6	212	~ 7	268	121
Amal. Pwr. Eog.			92	- 3	144	62
BSR	10p	5 5	33	÷Ϊ	85	27
Commission	-	5	70	T 1	122	
Courtaulas	Zoh	J	.0	*****	122	69

#### **OPTIONS**

DEALING DATES First Last Last For Deal- Deal- Declara- Settle-

Otter Exploration, Coral Leisure, Hestair, Wilkinson Match, Euro Ferries, Inco. Comfort Hotels, ings ings tion ment Acrow A. RTZ. BP, Lourho, Mar. 3 Mar. 14 Jun. 12 Jun. 23 Northern Engineering, UDT and Mar. 17 Mar. 23 Jun 25 Jul 7 FNFC. A put was done in Mar. 31 Apr. 11 Jul. 10 Jul. 21 Ultramar, while doubles were For rote indications see end of arranged in Siehnes (UK), John Share Information Service Brown, Town and City, Burmah. Brown, Town and City, Barmah, Stocks favoured for the call BP, Coral Leisure, Charterhall, included ESR. Town and City. Amalgamated Estates and UDT.

#### RECENT ISSUES

#### **EQUITIES**

Issue Price p:	Antoning paid Up Latast Renting, Date	197 Hìgh		Slock	Priga	: *+ or	Amount Things	Arous Yiald Rotlo
50	50a —	140	95	Berklay Exploration	. 98	+5	- 1-	
1 L	7.7.21 3	102	100	Child Health Res'ch				' <u>-</u> ' -
20	F.P. 7 3	158		Emess Lighting				80 44
10	F.P. 28 2	115:	10	Keep Inv. Trust Sp	. 111	-1.	0.0.0	
**	F.P. 73	89	72	Lon.Merc'ISecs.Oaf	f: 85	-1		-!-
	F.P	34		Roche Plant 10p.			1.25 2.7	54 72
44	F.P	6G		WebberEletCom 12.5	59	:	b3.5 2.6	5.9.5.3
							041-1 0.0	0.5, 0.0

#### **FIXED INTEREST STOCKS** 20 20 2 E 2 1979.80

3.5	12.250	High	Low	Stock	용문	 
#120p	FP - F.P. 15-2 FP. 30-5 - 2-9 £10 29 5 F.P. 24-4	12:pm 93p 112 8%	100p 93 111	Aurora 3.85% Cum. PreI. Chillord Chap. 12% Cum. PreI. Felixstowe Bock 9.2 Cum Red Praf. Globs Inv Tst 11.4% Conv Una t.n '90.96. Mid Kent Water 92, Roy Praf. 1985 RK'm'nw'h & Uxbridge Wir. 92,RdP/1885	123p 931g 111	
						_

#### "RIGHTS" OFFERS

l63ua Poce	. ÷	Ren	rnc.	1979.60		Stock Start	h
Price p:	₹£	•	<b>E</b> ·	Нідп	Low	2000 G F 1	
135 23.50 450 45:-	Nil Nil F.P F.P.	21 3 22 2 3.1	2 5 28 3 24:1	15pm 61pm 6912 845 451 om	33m 226m 58 660	# 31 pm; # 31 pm; # 32 pm # 33 pm # 34 pm # 34 pm # 34 pm # 35	
							-

Panunciation data usually last day for dealing free of stamp duty. 5 Figures based on prospectus committed, g Assumed divided and yield. If Poisceast dividence in the process of proce

FOR 1970;

# FT UNIT TRUST INFORMATION SERVICE

		UNIT	THUBI III	COMMITTO			
AUTHORISED	Disc. (nc. Mar. 7	ManuLife Management Ltd. St. George's Way, Stevenage. Growth Units	Standard Units	Croyosh Croz 214. [Series (2) ]		Schroder Life Group   Enterprise House, Portsmouth. 9705 27733  Enterprise House, Portsmouth. 9718 - 19 - 19 - 19 - 19 - 19 - 19 - 19 -	Bridge Management 1td. GPO Box 590, Hong King Notabil Jan. 31. 11. 11. 11. 11. 11. 11. 11. 11. 11
UNIT	44, Stoomsbury Square, WC1A 2RA 01-623 8893 Great Winchesser	Mayflower Management Co. Ltd. 14-16, Gresham St., EC2V 7AU, 01-606 809: Income Mar. 3	Wheelsaugi Units . 1479 4571 i	Equity Fund 523 65.6 +0.2 60.9 88.9 Farmland Fund 532 98.2 88.9	Life Asser. Co. of Pennsylvania 8, New Rd., Chalham, Kent. Medwry B12348 LACOP Units	Money 120 4 126 8 + 6 1 - 1	Britannia Tet. Magnit. (C.1.) Ltd. 30 Bath St., St. Helier, Jersey. 0534 7313 U.S. Bellar Denominated Fox. Univ. 3 Tet. 10332.11 9.46 World Bong Finit 10332.11 9.46 9.46 9.46 9.46 9.46 9.46 9.46 9.46
TRUSTS	280 Albemarie SL, W1. 01-493 3211 Emson Dudley Tst   77.4 83.2     6.00 Equity & Law Un. Tr. M.9 (a)(b)(c)	Mercury Fund Managers Ltd. 30. Grestem St., EC2P 2EB. 01-600 4555	Son Alliance Fund Mingt. Ltd.		Lieyds Life Asserance 20, Ciriton St., EC2A 4482 Multy Gwth	Income Distrib.	Starling Benominated Fits. Growth Invest
Abbert Unit Tst. Mingrs. (a) 7280, Carpinane Rd. Aylesbury Aber, Amer. Sp. 73. 37.9 Abert Carpinal 36.2 Alexe Carpinal 46.9 Al	7 EQUITY & LETW	Merr. Gen. March 12   553   58 8 ml   4.2   6.21   Acr. Us. March 12   177.1   82.2   -59   8.21   6.21   Acr. Us. March 12   177.2   82.2   -59   8.21   6.	Erp. En. Feb. 13	Pens. Boney ACC 20 8	05.5 A Fan Feb. 28 1 164	Equity Pension Cap. 1117 1177 — Equity Pension Acc. 18.7 1250 — Hangd Pen. Cap. 2521 — 18.91 Pen. Acc. 2521 — 31h.5 — 19.1 Pen. Acc. 252 — 19.1 Pen. Acc. 252 — 19.1 Pen. Acc. 252 — 19.1 Pen. Pen. Acc. 252 — 19.1 Pen. Ac	Univs. 3 Ts. Sig. 13 27 3.52 1.0 High Int. Stig. 7 st 0.005 0.84c 17.3 Value at March 7. Rect dealers March 17. Capital Deposit 7 st (£10.63 10.64 0.2
Apper Grid 4" 1. 52. (75. 1 104.4 4. 7) Abbey labi. Sd. Tst. 177.9 98.3 5.66 Abbey labi. Sd. Tst. 177.9 98.3 5.66 Abbey labi. Sd. Tst. 177.2 40.2 5.70 Danials From 1 488.7 159.0 74.5 5.55	American 24.7 25.9 -0.7 1.00 Fixed interest 25.2 26.6 12.10 Growth Income 29.3 30.9 +0.2 7.00 Special Sits. 28.7 30.3 -0.7 3.00	Midland Sank Group	31. Gestham St., EC 2. Dealings: 0296 5941. 19, airol Crescent, Edn. 3. 031-229 8622. Commodity 11 111 17. Financial 11. Glit Accumt 116-5 122 13.	p Pens, Gilt Short Acc. 59.8 +0.11 59.8 2 Pens, Gilt Med, Cap. 46.2 +0.11 47.8 - Pens, Cilt Med, Acc. 51.8 +0.21 51.8	Pens. En. Asc. Feb. 29 13 146	F. Int. Pen. Acc. 32 111.57	Brown Shipley Tst. Co. (Jersey) Ltd. P.O. Box 583, St. Heler, Jersey. 1534 7477 Silg. Bd. Fd. (h)
After Planney & Ross Unit Tst. Mingra. 45. Carriell, Landon ECSV 3PB. 02-423 6334 AMR Sales Pres. 189.3 94.34	James Finlay Unit Trust Mingt Ltd. 10-14 West Nile Street, Glasgow. 041-204 1321 1 Finlay Internat   293 31.5	Unit Trust Managers Ltd.♥ (a) Courtwood House, Silver Street, Head Sheffield, SI 3RD. Commodity & Ees	Special Situations 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	NFSE CAP 101/		Prop. Pen. Cap. 133.5	Butterricia management Co. L.C.
Agent Hambre Group (a) (g) Hambre Hee, Hutten, Brentwood, Esex. 0).588.2851 or Brentwood (0277) 271.459	J. Finiay Euro, Fin. 21.8 23.4 3.65 Accum. Units	Overseas Growth 52 2.38 Do. Accum 52 2.38 Content 53 2.38	Income	Fund currently closed to new investment.  Perform Units		PO Box 902, Edinburgh EH15 5BU 031-655 6000 inv. Ply. Mar. 7 1242 1243	Buttress Equity 1255 40 3 521 128 Buttress Income 1555 21 2 28 8.9 Prices at 150. 7 Next sale day Fcb. 4.
### 175   20   20   20   20   20   20   20   2		Do. Accum 9 9 03 729 100000 100000 100000 100000 100000 100000 100000 100000 100000 100000 100000 100000 100000 100000 100000 1000000	Professional March 12, 10 2 191, -3.7 49 Thistie End Cs. Inc. Mar. 12, 22 3 49 Ends Fee. Accion: 378, -7.0 6.6	St. Helen's, 1, Understath, EC3. 01-283 7500 7 Vr. An. Ac. Alarch B. 70.61	Money Manager 38.5 41.2 -0.3 -	Ext. U. Inf. Mar. 5134.1 160.7	43, Boutevard Royal, Lucenbourg Capital Int. Fund   US\$22.08           Charterhoose Japhet 1 Patengoser Row, EC4 01-248.399
Affect Capital 77.2 82.6 -0.1 523 capital for the first form of th	1ACAM. UNIS/(22,4 56,4) -U.4 4,85	Do. Accum: 687 P0.1 9.53 Equig Exempt* 18.4 5.33 Do. Accum: 5.33 Do. Accum: 5.33	Tower Unit Trust Mingt. Ltd. 39/45 Finstony Square, EC2A 1PX 01-628 229 Income & Growth 22.4 23.5 -0.1 8.2 Social Shastions 27.1 26.5 -0.2 8.2	CO Character I was NACZA THE 01-242 0202	London Life Linked Assur, Ltd.	Equity Acc	Adiropa
High Weid Feld 58.4 73.2m 0.2 10.11	Friends' Provdt. Unit Tr4 Mgrs.V	"Prices at Mar. 7. Next dealing Man. 14.  Minster Fund Managers Ltd.  Minster Hee. Actuar St., ECAR 98H 01-623 1050	Trades Union Unit Tst. Managersy 100, Wood Street, E.C.2. TUUI March 3	Staffguard Man. Pen. 94.2 99.1 — Group Mingd. Pen. 243.2 247.5 — — — — — — — — — — — — — — — — — — —	Equity 100.7 103.7 Food interest 11.4 71.6 Property 106.7 109.1 Property 106.6 108.6 Property 106.6 108.6 Property 106.6 108.6 Property 106.6 Property 106.7 Property 106.6	Pers, Managed Acc. 97.5 102.6 -0.3 - Pers, Gusty Acc. 97.5 102.6 -0.3 - Pers, Equity Acc. 97.5 104.2 -1.0 - For Prors of other Units and Guaranteed Bass Rates please Phose 01-353 8511 For Solar Life Assurance Ltd. see Sun Life Unit Assurance Ltd.	Clive Investments (Jersey) Ltd.
Francis Company	Do. Accum	Minster Mar. 10	Transatiantic and Gen. Sess. (c)(y) 91-99, Hew London Rd., Cheimsford. 0245-5145 Rachicas Mar. 6. 831	Cornhill Insurance Co. Ltd. 01-626 5410	Windlade Park, Eneter. 0392 \$2155 Can, Growth Fund 255.1	see Sur Life Unit Assurance Ltd.  Standard Lif4 Assurance Company  George St., Edinburgh EH2 2822, USJ-225 7971.  Manaded	C. H. Cat. Growth Fd [19 1] 9 42 340 Cine Git Fd. (C. 1) - [59 45 9 45] 1240 Cine Git Fd. (Lyy.) 19 36 9.37 1240 Combill Ins. (Guernsey) Ltd.
Rick, William, B. C. Cory	Public Trustee, Kingsway, WC2. 03.405.4300 Capitual Feb. 28	Old Queen Street, SWIA 936. 01-22-8177 MLA Units 59.7 62.8 -2.1 3.37 Minrary Johnstone U.T. MgHL 9 (2) 27 5500	Burkhen, Mar. 6. 20 711 71 31	Can Feb. 15	offlex, Ecemol Fd. 482 468-empl Prop. Fd. 1227 465-empl Prop. Fd. 1227 465-empl President President Property Fund 1231 1231 1231 1231 1231 1231 1231 123	Property 703.9 109.4 — Gully 111.0 119.0 -0.1 — Mernational 94.5 107.6 -1.2 — Fixed interest 98.6 103.8 +0.2 — St. 98.6 103.8 -0.2 —	P.O. Box 157, St. Peter Port, Guernsey Intol. Man. Fd[195.0 212.0] P DWS Deutsche Ges. F. Wertpapiersp
Anderson Unit Trust Managers Ltd. 15R Feetback St. EC3M 6AA 623 9231	Do Acc 1875 1869 39 340	Morray Johnstone U.T. Mgrt. 9 (a) 163, Hope Street, Glasyow, 66 201H, 041-227, 5521. MJ Ehropean	CACTART, Uelts) 122.6 #33.0 6.8 Carmi, March 5 57.0 #1.0 7.0 (Accomt, Units) 67.4 #1.0 7.0 (Accomt, Units) 97.0 1.4 7.0 (Accomt, Units) 97.0 1.4 3.0 (Blen, Mar, 11 58.5 1 - 2.5 4.8	CaC Mingd. Fd	Gtd. Deposit Fd	Sun Alliance Fund Mangmt. Ltd. Sun Alliance Hose, Horsham. 0403 64141 Exp. Fd. Int. Feb. 13   Cl61.5   168.4   —   —   —   —   —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —     —     —     —     —     —     —     —     —     —     —   —   —     —	Grunchurgweg 113, 6000 Frankfurt Investa
Anderson U.T	G.T. Japan & Gen. 665 703 -26 290	15 Copthell Ave., EC2R 78U.  Mutual Sec. Plus	(Accum, Units) 78.6 14 -33 4.8 Marboro Mar. 11 50.7 50 -23 3.2 (Accum, Units) 60.5 50.7 -2.8 3.7 Van Growth Mar. 11 52.5 50.7 -2.8 3.7	Mang'd Fd. Init	American Fd. Bond* _53.7	Sun Alliance Linked Life Ins. Ltd. Sun Alliance House, Horsham. 040364141	Delt. Inv. Mar. 4   280
Arbuthmot Securities Ltd. (a)(c) 37, Queen SL, London, EC4R 1BY, 01-236 5291 High Yield 12 41 4 12 12 12 12 12 12 12 12 12 12 12 12 12	6. T. Far East & Gen.   S2.5   S6.4   -2.1   2.60   S. T. Far East & Gen.   S2.5   S6.4   -2.1   2.60   S. Trust (a) (g)   S. Rayleigh Road, Brentwood. (0277) 227300	National Provident Inv. Magrs. Ltd.9	(Accum, Units) 67.7 1 3.6 3.7 Van, ly, Mar. 11, 70.1 Van, g. Mar. 11, 70.1 Van, g. Mar. 11, 70.1 Van, f. Mar.	Fixed Int. Ed. Acc	Family 1981 231.8	Property Fund	Int, Renterionis
Ectra Income Fd St 1 1 10 66 Caccam. Units 113 4 1 1 10 166 Caccam. Units 113 4 1 1 10 166 Caccam. Units 12 5 1 1 10 166 Caccam. Units 2 5 1 1 10 166 Caccam. Units 2 5 1 1 1 10 166 Caccam. Units 2 5 1 1 1 10 166 Caccam. Units 2 5 1 1 1 10 10 10 10 10 10 10 10 10 10 10	G. & A	N.P.I. Geh. Un. Tst	(Account Units) 86.2 5.3 Wick-Div. Mar. 7 167.2 14. 5.3 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2.2 2	ononey Fd. Acc	Managed Bonders 168.9 177.4		Emson & Dudley Tst. Mgt. Jrsy. Ltd. P.O. Box 73, St. Helier, Jersey. 0534 73933 £.O.I.C.T. 220
Preference Fund 22.5 4.4-0.1 14.00 (Accust, Units) 58.2 4.4-0.1 14.00 (Capital Fund) 58.2 5.4 4.0.1 14.00 (Capital Fund) 58.4 58.9 3.14 (Accust, Units) 124.7 58.9 3.14 (Accust, Units) 124.7 58.9 3.14	Commodity Share	**Prices on Feb. 28. Next deallog March 27.  National Westminster (a) 161, Chenoside, ECZV 6EU.  01-606 6060	Tyndail-Pressel *350 460# Capital March S. 146.B 154.2 5.18 (Accum, Units) 277.4 228.4 5.18	Inter I. Fd. Acc. 40 14.9 -0.7 - 10.5 -0.6 5.83 High income Fd 40 170.2 -	Prices on "March 5. "March 6. "March 14. Flexible Pencion Fund prices on Feb. 19. Managed (Cap.)	Pers. Mari. Cap	The English Association 4 Fore Street, EC2 E.A. Income Fund"   54.9
Cliffs Widows U.J. 66.0 12 3.14 Fin. EP pp. Fd 324 20 428 Gast Find 37.5 42.5 42.5 42.5 (Acture United Land 14.7 42.5 42.5 42.5 42.5 42.5 42.5 42.5 42.5	income Fund 15.6 81.3 -0.9 7.24 inc. Agencies 115.07 16.00 -0.6 482 incl. Exercise Fd 96.0 104.4 -0.3 642 intl. 1st. (Age.) 25.9 38.6 -1.0 1.04 20.2 26.0 20.5 1.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2	Capital (Accum.) 79.5 85.4 -0.6 4.09 Extra inc. 62.5 67.2 -0.2 9.49 Financial 35.6 83.2 -0.1 5.60 Growth inc. 88.3 4.9 -0.4 515	Pref. March 5 99.8 105.8 14.40 (Accom. Units) 137.4 145.8 16.44 Exempt March 5 119.2 125.2 9.37	Pers, Mizzed Fd. 196 104. Regency Fd. 111 8rewin Fixed Int. Fd 111 114 115	Do. (Accum) 110.3 111.9 5.9 Property (Cap) 110.6 105.7 -0.1 Do. (Accum) 110.8 109.1 -0.7 Property (Cap) 110.4 116.1 -0.7 Do. (Accum) 110.4 116.1 Do. (Accum) 110.4 Do. (Accum	07, Cheapside, London, EC2V 6DU 01-606 7788 Annaged 138.9 146.3 +0.1 — roperty 136.1 143.3 +0.4 —	*Next desiring Warch 12. **Next desiring Warch 31. Euroband Holdings N.V.
Accum, Units)	Gibbs (Antony) Unit Tst. Mgs. Ltd. (a) 3 Frederick's Pl., Old Jewry, EC2 01-588 4111 Extra Income	Portfolio m. Fd. 77.0 34.3 -0.2 7.0 5matter Companies 53.6 57.7ml +0.1 51.7 Universal Fd. 46.4 49.6 -0.9 27.1	Anther State   22   25   25   25   25   25   25   2	Crusader Insurance Co. Ltd. Vincula House, Tower Pt., ECS. 01-626 8031 Grth, Prop. Mar. 4905 100.71 Eagle Star Insur_/Midland Assur,	Deposit (Cap) 98.7 103.7 +0.11 — 5	MITTER DR	London Agents: Intel, 15 Christopher St., EC2. Tel. 01.247 7243. Telex: 8814408. Euro Hidgs
Foreign Fond* 1858 15 15 15 15 15 15 15 15 15 15 15 15 15		NEL Trest Managers Ltd.♥ (a)(g) Militon Court, Corcleto, Surrey, Nelszar High Inc	Accurt Units 244 28.0 3.8 20.4 20.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 27.2 28.0 28.0 28.0 28.0 28.0 28.0 28.0 28	1, Threadocedle St., EC2. 01-588 1212 Eagle/Mid. Units	Manufacturers Life Insurance Go. St. George's Way, Survenage. 0438 56101	'arget Life Assurance Co. Ltd. arget House, Gatehouse Road, Aylesbury, archs. Aviesbury (0295) 5941	1-2, Laurence Pountiney HIP, EC4. 01-623 4680 Centenary Fd. USSS 27 1.46 F. & C. Orienta Fd. USSS 27 1.46 Prices March 5. Weekly dealurgs.
Archway Unit Tst. Mgs. Ltd. 9 (a)(c) 717, Ngo Hobora, WCLV 7NL 01-831 6233 Archway Faed	ntt. Erns. & Assets 49.1 51.4 -0.9 3.60	Horthgate Unit Trust Managers Ltd. 9(c)(y) 20, Morgane, EC2R6AQ 01-606 4477 Northgaie Mar. 6	Do. Accum. 35.8 91.9 -0.4 6.72 Extra Inc. Growth 30.5 33.6 -0.1 11.61 Do. Accum. 40.0 43.2 -0.2 11.61 Financial Prity 119.3 21.7 -0.1 4.83 Do. Accum. 25.2 27.0 -0.1 4.83	Fruity Fd	Gilt Edged 142.5 150.0 - P Deposit 109.4 115.2 - P	ten. Fund Cop 120 [] —	Fidelity Mgmt. & Res. (Bda.) Ltd. P.O. Boz 670. Hamiton, Bernuda Fidelity Am. Ass. USST8-20 Fidelity Dr. Sav. Tsl. Fidelity Dr. Sav. Tsl. Fidelity Dr. Sav. Tsl. Fidelity Psc. Sav. Tsl. Fidelity Mgmt. & Res. (Bda.) Ltd. Fidelity Psc. Sav. Tsl. Fidelity Mgmt. & Res. (Bda.) Ltd. Fidelity Mgmt
Berclays Unicore Ltd.♥ (a)(c)(g) Unicore Ho. 252, Remotore Rd., £7. 02-534-5544 Unicore America	77 London Wall, EC2 01-588 5620 Stubbler: Feb. 29	Norwich Union Insurance Group (b) P.O. Box 4, Norwich, HRI 3NG 0603 22200 Group Tst, Fand 372_5 392_1xt +0.5  6.50	High Inc. Priority 516 547 -0.3 10.57 (sternational 241 258 +0.1 4.69 Special Str. 56.2 36.8 -0.5 566 TSB Unit' Trusts (y)	Equity & Law (Managed Funds) Ltd. Amersham Road, High Wycombe. 0494 33377 Ind. Pen. Equity	International 106.8 112.4 Findertrational 106.8 112.4 Findertrational 106.8 112.4 Findertrational 107.8 Findertrational 107.8 Findertrational 107.8 Findertrational 107.8 Findertrational 107.8 Finder	rop. Fd. 160	Fidelity Pacific Fd. USEA 43 - 23 13.33 Fidelity World Fd. USEA 69 - 0.84 - Fidelity Migrat. Research (Jersey) Ltd.
Do. Aust. Inc. 791 -3.1 164 Do Capital 72.7 15 -0.2 5.6 Do. Erempt 73. 1165 Do. Erempt 79. 195 Do. Francisi	Grieveson Management Co. Ltd. 59 Gresiam Street, EC2P 205 201-606 4433 Barriegron Mar. 5 560.2 276.9 499 Jacton, Units 306.8 20.0 499 Barrota, H.Y. Mar. 6. 107.5 BALL 987	Pearl Trust Managers Ltd. (a)(g)(z) 252, High Holbon, WC1V7EB. 01-405 8441, Pearl Crowth Fd. 264 28-71 -02 5-30 Access Writs	21, Chantry Way, Andreer, Hants. 0254 62186 (b) TSB General	Ind. Pen. Property	Equity Pens.	The Femolia Control of the Control o	Materiou Hair, Don St., St. Hellar, Jersey. 05:34 27:56.1 Series A (Intra.)
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3, London Warf Bellefrigg, London Warf London ECZM SQL	European 57 489 0.4 137 Far East 584 582 +0.2 0.74 8 Pacific Sm. Cos. 568 614 -1.0 3.36 North Apre. 342 366 0.4 1.0 Cabba Apr. 50 535 57.2 -0.8 0.97 5	Reflance Unit Migrs, Ltd., v Reflance Hze, Timbridge Wells, KL. 0892 22271. Deportunity Fund	1-3 St. Panf's Churchyord, EC4. 01-248 9111. Equity Fond	Guardian Royal Exchange Royal Exchange C1-263 7107 Suardian Assurance Property Gond's	High Inc. Equity 94.2 99.2 -0.9 Cr High Inc. Fixt. Int. 97.8 103.8 6 Deposit 100.2 113.8 2	orth Co	1. Dir. (Strig.) Folcil 30 11.77
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Cartled Unit: Fd. Higgs. Ltd. 9 (a)(c) Millians House, Nesscaste-upon-type Cartlel High. Vist. 1929 41.64  - Do. Accum. Charts 1959 58.0 844  Rest desiring date March 12.	Registrar's Dept. Goring-by-Sea. 01-623 1268 Se Worthing, West Sussex. 01-623 1268 Se Balanced	FASS   74.6   80.24   -1.1   1.6   1	Gill EdipPers.Acc. 112.8 118.8 — Do. Initial 102.5 197.9 — Money Pers. Acc. 120.1 115.6 — Do. Initial 1197.6 115.6 — Current unit eithe March 12.	Managed Series A 1040 Managed Series C 95.5 Managed Series C 95.5 Money Units 15.0 Money Series A 109.2 Money Series A 109.2 Money Series A 109.2 Money Series A 109.2 Money M	one, Pens, Fd	VERSEAS EST	Box 526, Delft, Holland erabla is: Pr. DFLI USSSO.67  -0.42
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Confederation Funds Mgk Ltd. (a)	EN A Comment (who Na)	emix Mic. Lors. 27.2 30.1 - 5.13 tra loc. Tst. 25.3 11.18 zome Day 4.5 -0.1 9.94 1.10% Worwi 30.7	Troperty Units	By. Chip Ser. March 1 _ 1001 105.4	operty Fd. Cap. 18 37 Cap.	151. (3675ey)	Sterling Fund[F1] 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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Caracina Exempt 59.9 43.4 -8.4 2.5 Caracina Inst 57.9 527 -26 2.5	Conversion Inc	Henry Schreder Wagg & Co. Ltd. 9(a) (c) 6, Chragolde, E. C. 201-240 3434 2	and Ed. Pees Jac	Langham Life Assur. Co. Ltd.  Langham Hse. Holmbrook Dr., NW4. 01-203 5211  Langham Hse. Fund	thorn Bars, EC1H 2HH. 97405 9222 Bank uky Fd. Feb. 20 E20.79 31.74 2, Ra and Jnt. Feb. 20 E20.75 21.02 Renu In. Fd. Feb. 20 35.61 36.71	ue Bruxelles Lambert : Ch	Gring Cross, St. Helser, Jersey. (0534) 73741 by Nie. St. Peter Port, Griny. (0481) 24706 mas Street, Douglas, J.O.W. (0624) 4856 mod (Jersey). 153.02 8.0944.08 13.75 rust (1.0.M.). 30.0 92.1sd 13.75 Find. Goerntey 6 07 8.1sd 13.75
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b Today's prices: a field based on other price. of Estimated.  In Today's opening order. Distribution rime of UK taxes. p Periodic premiant lessance plans. a Single premium.	Accent Units   771   76.4s   0.21   183   Cet   774   0.21   183   Cet   183	bag Unit Tst. Managers Ltd.9 (a) C	togne Managed	Property Initial 106.5 112.7 - Sai Do, Accom 114.7 121.8 - 4.6 Legal & General (their President) List. Bal Licensy Cash Init. 111.6 112.5 - Prop. Do, Accom. 170.7 166.4 - Gill.	Im Ed _ 1343.6 152.01 -0.51 - 84500	nor Mutual 36.0 38 8 1 130 K.S. 194948 Commodity Ser. Ltd. K.S. 06 42, Douglas, Lo.M. 0624-23911 K.S. C Mar. 3 1058423 73.611 5 6.5	west
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FOREIGN BONDS & RAILS **AMERICANS** 19% | 14 | 33.00 | | 6.8 | 114 | 22.00 | | 114 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 | 22.00 | | 125 233 | 114 | ASA | ASA | 259 | 29 | AMF 59 | Com. 87 | 214 | 145 | AMF 59 | Com. 87 | 215 | 145 | AMF 59 | Com. 87 | 215 | 115 | AMF 59 | Com. 87 | 215 | 115 | AMF 59 | Com. 87 | 215 | 115 | AMF 59 | Com. 87 | 215 | 115 | AMF 59 | Com. 87 | 215 | AMF 59 | Com. 81 | 215 | Com. 81 | Com. 81 | 215 | Com. 81 | Com. 8

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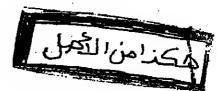
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# FINANCIALTIMES

Wednesday March 12 1980



# Travellers' cheque plan agreed

BY MICHAEL LAFFERTY IN MONTE CARLO

EUROPEAN BANKS are going lers' cheque company. ahead with the plan to use and other U.S. banks in the travellers' cbeques

in Western Europe yesterday confirmed they have reached agreement with Midland to buy for £16.4m the parts of Cook

they want.
The European banks plan to start issuing the new cheques, and a U.S. dollar cheque in particular, within 12 months. Midland is disposing of the non-sterling travellers' cheque part of the Thomas Cook busi-

As part of the consideration, Thomas Cook, the Midland Bank to be paid in stages, Midland subsidiary, to challenge the will receive a 20 per cent stake dominance of American Express in the European company, which will own the central administration of the scheme, as well as the U.S. dollars and other con-Representatives of most banks European currency cheques.

The company will use the existing staff of Thomas Cook's operations at Pelerborough, and around the world. The maio operational beadquarters will remain in Peterborough.

In addition to the central European company, the scheme provides for separate national companies to be created for each currency cheque to be issued, including sterling. Each ness to a new European travel of these companies wilt be operations of Cook.

owned directly by domestic financial institutions participating in the European scheme.

Apart from the financial part nf the deal, the agreement announced yeslerday provides for continued use of the Cook emblem and name on the European travellers' cheques. These will also incorporate the symbol of Eurocheque, the Wesl German led co-operative banking organisation which has the urropean towards common payments systems.

This could have an important intangible benefit for Midland. which retains full ownership of the travet and foreign exchange particularly directed against be under negotiation.

American Express. The U.S. The announcement financial services group which controls more than 50 per cent of the world market in travellers' cheques.

They are also reacting to moves by Visa and Interoank, the world's two main banking payment systems organisations, to enter the travellers cheques market. Barclays Bank is the largest bank to pool its travel-ters cheques business with Visa.

In an effort to fight off the European challenge. American Express has receoily announced agreements with three leading French hanks to issue a joint French Franc travellers' cheque,

The European banks move is and similar deals are said to

The announcement of the Thomas Cook deal came as leading retail bankers from round the world gathered to Moofe Carlo for the annual hanking payment systems conference Other developments involving American Express. Visa and Interbank seem likely in be

announced in the next few days. Countries which have been represented in the Thomas Cook talks are Andorra, Austria, Belgium. Finland. France. Wesi Germany. Luxembourg. Norway. Sweden. Switzerland, the Notherlands and Greece. The Banking

# Associations of Ireland, Italy and Spain have been taking part

# British Shipbuilders wins £50m orders

BRITISH Shipbuilders has with single slow-speed diesel sels to be built at Smith's Dock broken into the important new engines. tract to refit two cootainer ships at the Govan vard on the Clyde.

by Overseas Containers and is worth more than £10m. It was won in compatition won in competition with Japanese and other foreign yards. There is no Governmen!

Two 29,000 deadweight-ton vessets, the Morelon Bay and the Discovery Bay, will have their steam turbines replaced is for two refrigerated cargo ves- a cost of £15m.

BY MICHAEL LAFFERTY,

Generat who beads the depart-

ment, that it should be merged

with the District Audit Service,

which audits most local

yeslerday in a Green Paper on

The role of the Comptroller and

The paper emphasises the importance of basic financial

and regularity andits in central

Government, and says the most

effective method is Ihrough a

The Exchequer and Audit

Department has been criticised

A report on a management

for its inadequacies in this area.

review of Ibe department, pub-

Exchequer and Andit should be

up procedures for greater plan-

systems-based approach.

The views were published

authorities.

Auditor-General.

These will be supptied by Harland and Wolff in Belfast, which makes the engines under licence from a Danish company. also announced yeslerday by the corporation, adding £50m to its could become increasingly comreplacement market mon, as the real price of fuet tracts-all with Japanese yards. British Shipbuilders is bidding for six more and hopes the Goven success will encourage other owners to place work in

Britain. The second order, worth £25m,

State industry books

THE Government has rejected ning, monitoring and review.

shipowner, Geest Industries, tt was won in international competition with some belp from the Government intervention fund.

It will provide work for t.800 men io the next 18 months at Smith's Dock, which lauoched the last sbip it bad on order three weeks agn.

The third order goes to Vosper chester, Hampshire. The oaval yard will build a fast patrol craft equipped with guns and missiles for the Omani Navy, at

Naval orders have not been subject to the same competition as merchani ships, but the market has been getting more This order is particularly welcome as a sign thal British Shiphuilders is still a strong export conteoder.

The latesI work takes the value of British Shipbuilders' merchaot order hook to £570m. with the order. It was exactly Mr. John Parker, marketing director, said: "We are now two-thirds of the way towards achieving our target of 45 merchant ship orders, which are needed to secure employment at the restructured levels in our core yards up to mid-1981."

Last August, British Ship-builders submitted a plan to the unions involving a to.000 cutback in the 28,000 merchant yard workforce. The plan is that orders will be directed to "core" yards, which include Govan and Smlth's Dock.

Mr. Sam Cilmore, shop stewards' convener al said the unions were delighted type of work the yard needed. Steel workers would be fully employed on two new needed. bulk carrier contracts, but ontfitting tradesmen would bave faced six- or nine-month lay-offs If the order had not been

customers to return as quickly

The costs of a failure to make

"grasping 19th century capita

lists or a conspiracy of sileoce

or even a conspiracy of hard

tion or the Iron and Steel Trades Confederation in the

latest issue of its strike broad-

sheet, published vesterday which claimed there was a

deliberate effort to conceal the

full effects of the strike.
It accused the Confederation

of British Industry, the BSC

Government departments, steel

consumers and sections of the

media of a "cover-up" in an

Strike effects. Page 8

fort to undermine morale.

He was replying to an accusa-

unbending Torics." he said.

no conspiracy o

inere wa

# **BSC** must change or die, warns Villiers

BY CHRISTIAN TYLER, LABOUR EDITOR

Villiers, the corpora-

in some

imports, be said.

round of talks.

decreased.

Job losses would be "im-mense and itagic" in some

investment and financing of the

Sir Charles was speaking to

the British Constructional Steel

Work Association as negotiators

for the corporation and its

unions were struggling to find

common ground in the latest

After 14 hours of hard

bargaining over twn days,

optimism about the outcome had

The unions want an improve-

past five years would be lost.

BRITAIN WILL end up import 14.4 per cent as well as less ing all its steel unless the severe productivity conditions changes the British Steel than the BSC is demanding. Corporation wants from its Sir Charles opened his special unions are carried out. Sir last night with an appeal in tion's chairman, said last night. as possible after the strike is Without all the changes, the over. reduced liquid steel capacity of 15m tonnes a year for which the charges BSC wanted would The corporation was alming, he colossal, he said.

whether he should attend.

Department might restrict itself to inspecting the affairs

Delails, Page 10

Continued from Page 1

#### Iran

One Commission member said an Iramian doctor's report indi-cated the medical condition of the hostages was "satisfactory, tionary Council of "weakness" given the psychological state of and "indecision," saying it had those detained for almost five contributed to the crisis.

In an interview with the Paris Iranian Foreign Minister, also newspaper Le Monde, President criticised the student militants, Bani-Sadr said he regretted the and said they would eventually

suggestions that the Exchequer More receotly, the accoust-Audit Department, the tancy bodies said there was an audit service of ceotral Govern-ment, should have access to the process of scrutiny and audit books of the nationalised indus-tries and the British National that the department, with only Oil Corporation. They suggested that the department, with only about 700 staff, was not It also seems to oppose a equipped to do its job. proposal by Sir Douglas Henley. A similar point was made in the Compttoller and Auditor- the management review

report, which commented that "a natural and conscientious concern for economy and staffing has been taken too far." Despile these comments, the Creen Paper favours the present staffing arrangements for the department, which are under the control of the Civil Service Department. "Present

arrangements take account of the wide relevant expertise of the CSD, and if the responsibility were exercised unreasonably, the C and AG, being independent, could report the matter to Parliament. The Creen Paper suggests that Ibe Exchequer and Audit

of certain bodies, leaving the more positive about aadit role of audit Io commercial management, and should draw auditors.

Commission bad not been able have to obey the Govarnment.

Continued from Page 1.

Io the Patriotic Front, which has 20 of the 80 black seats in Parliament. They are Natural Resources and Water Develop-

meni (Mr. J. Msika), Public Works (Mr. C. M. Muchachi)

and Posts and Telecommunica-

tions (Mr. George Silundika).

The party also has two of the

No place has been found for

Bishop Abel Muzorewa, the former Prime Minister, whose party got only three seats in

last month's election. It is un-

likely to get seats in the Senate.

which is to be elected by Parlia-

monial post which is expected to

be filled by the Reverend Cawaaw Banawa, a senior mem-ber of Mr. Mugabe's party. Appointment of Mr. Norman

Parliament will then elect the

ment in the next two weeks.

13 deputy ministers.

Mugabe

grievances; the other was to see to finish its task, and complained the bostages and obtain their that the students bad proven true the Shah's prediction that

it would fail. accused the Iranian Revolu-

The Iranian President also

Prime Minister and Minister of Minister of

Deputy Prime Minister and

Minister of Foreign Affairs:

Minister of Manpower, Planning

Minister of Finance: Enos Nkala

Minister of Justice and Con-

Minister of Public Service:

Minister of Transport and Power: Ernest Kadungure

Minister of Local Government and Housing: Eddison Zvobgo

Welfare: Kumbirai Kangai

Minister of Home Affairs:

and Development:

stitutional Affairs:

new President, a largely cere- Minister of Labour and Social

and Mr. Smith will go a long Minister of Lands, Resettlement way to reassure the white business community.

Minister of Lands, Resettlement and Rural Development:

Dr. Sydney Sekeramayi

Defence:

Robert Mugabe

Simon Mzenda

Joshua Nkomo

Simbi Muhako

Richard Hove

THE FULL CABINET

Industry:

Tourism:

Culture:

Minister of Health:

Minister of Mines:

Recreation:

Minister of State:

Minister of Public Works:

#### Auditors will not see Evans says no to BL pay meeting

By Alan Pike, Labour

MR. MOSS EVANS, general secretary of the Transport and General Workers' Union, bas declined to attend a meet-ing at which the BL Cars management bopes to secure union agreement for pay proposals rejected in a workforce

trying to contact presidents and general secretaries of other unions with members meeting-wblcb it wants to take place before the company's financial results are annonneed on Friday.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said tast night that when he received a formal invitation, his executive would consider

Mr. Evans told BL that meetings concerning its pay negotiations should be attended by Mr. Grenville Hawley, the TGWU national automotive secretary, rather

than the general secretary. The company said last night il would keep trying to arrange a meeting soon, even if top officials like Mr. Evans could not be presented. could not be perspaded to attend. However, there has already been a series of meet-ings of the BL Cars national joint negotiating committee attended by officials below general secretary level and these bave failed to break the

deadlock over the pay offer. BL bas made it clear that time ts running short and, unless the issue is resolved with union agreement this week, is expected to consider imposing the pay offer nnilaterally.

The offer would give basic increases of five per ceol for most workers and up lo ten per cent for craftsmen, with productivity payments in return for more flexible working practices which the com-

Commerce and

Dr. Nathan Shamuyartra

Dr. Dzingai Mutumbuka

Dr. Herbert Ushewokunze

Emperson Manamgagwa

Minister of Natural Resources

Minister of Education and

and Water Development:

David Smith

Joseph Msika

# French base rate rises

to 13.25%

A NEW round of French bank base rate increases to 13.25 per ceni began yesterday. fotlowed onty a week-and-a-half after the last batch of rises which had carried the rate to a record 12.5 per cent.

#### Current policy

In keeping with current policy, yesterday's announce-ment of an increase came from only a few banks, including Banque Worms Banque Vernes and Banque La Henin. But their move is expected to be followed loday by Banque Nationale de Paris (BNP), the targe nationalised group, and by others during the

The previous high had been 12.4 per cent. reached in June. 1974. The tatest rises come as no surprise, given the Government's commitment to a tight money policy and the rapid increase in money market rates within the last two weeks. The rise in interest rates is

Minister of Information and industry, which fear that it could halt last year's investment

#### Inflation

Bul so lar the Government has made it clear that it intends to continue trying to restrain inflation and maintain the value of the franc by keeping in line with the international trend in Clement Muchachi rates. Minister of Posts and Telecom-

Minister of Posts and Telecom- The Government is concerned munications: George Silundika al Ihe level of France's heavy expenditure on imported nil Morris Nyagumbo and fears that the value of the Minister of Youth, Sport and franc against the dollar must be maintained if this bill is in he Mrs. Teurai Ropa Nhongo met.

Fresh rise in Swiss rates likely. Page 3

# Weather

UK TODAY

SHOWERS in most areas with some sunny intervals.
London, S.E. and N.W. England, Channel Isles, Wales, E. Scotland Sunny intervals, occasional showers. Max 10C (50F).

W. Midlands, N.E. England Mainly dry, sunny intervals.
Max. SC (46F).
W. and N. Scotland, N. Iretand,
I. of Man, Orkney and Shetland Islands

Sunny intervals, blustery showers, rather cold. Max 7C Ontlook: Showery. Ctear periods. Colder.

Y day

WORLDWIDE

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THE LEX COLUMN

# Banks on the spot over penalties

monthly hanking statistics, the ppagoc. The gill-edged markel. having moved up on its first sight of the figures, had second thoughts later and slipped back. Clearing bank lending was low. out there has been a large swing back into borrowing from the non-clearers. The under-lying bank lending figure is probably not far off the £700m that has been the monthly norm

for nearly a year.
Still, personal borrowing seems to have withered away, and the argument that corporate porrowing is to a large extent involuntary, as taxes are paid and stock levels build up, is a convincing one. Many companies must be grimly holding on to unnecessarily high stocks levels over their financial year ends to avoid a clawback of stock relief.

The corset scheme-brought in nrigically as a cosmetic measure to appease the giltedged market and sell out some long-forgotien tap-is the source oi increasing difficulties. Even with the Bank of England's help over the Fehruary make-up day. the clearing banks were still short of reserve assets, and their customers seem to have developed the tiresome babit of shifting money from current into deposit accounts. So the banks' IBELs are up again: the 4.1 per cent above ils corset ceiling, after 3.6 per cent in January, Supplementary special deposits relating to the January excess IBELs alone came in £104m.

If March IBELs are only unchanged at the February level, the three-month moving verage calculation will leave the hanks 5) per cent over the ceiling. And the scheme grows more restrictive each month; he £280m hy which the ceiling is raised monthly is now 0.8 per cent rather than the original per cent of total IBELs.

Index rose 3.3 to 455.6

back into the banking system But removal would be better than giving help in the money markets every make-up day until the redemption of Consols.

Sedgwick group
The UK's biggest insurance
broker, Sedgwick Forbes Bland Payne, opened up the latest results season in this sector with an uninspiring report of a near 7 per cent fall in pre-tax profits to £47.5m. This is the first time that the newly-merged group has reported a full year's consolidated set of figures and clearly there are unique internal problems. Integration costs from the marriage of Sedgwirk Forbes and Bland Payne has put pressure on expenses which have risen by 14.5 per cent to £85.6m at a time when broking revenues (including underwrining agency

£120.8m. Up in 65 per cent of group expenses are incurred in the UK, while about two-thirds of revenues are remitted in over seas currencies, largely dollars, so Sedgwick has been squeezed the strength of the pound at a time when the trading cycle-affected by the overcapacity in international insurance markets has turned down sharply.
The outlook is unexciting. In

and shipbroking income) have only advanced 4.5 per cent to

the current year much will depend on the group's ability to trim expenses. But the shares, up 4p to 97p, yielding 7.6 percent, could be supported by any positive news about the group's planned link up with the world's second largest broker. Alexander and Alexander.

Cement-Roadstone

Cement-Roadstone Holdings has pushed up pre-tax profits by Removing the corsel would in spite of problems in bringing jack up sterling M3 by 2 or the new Platin cement works 3 per cent as acceptances came into full production and the

Syst-hall strike and had winter weather. The UK share price, helped by the generous dividend

increase, moved up 4p to 35p for a fully-laxed p/e of reasy 13 and a yield of 7.7 per cent. Next year should see fundament profits growth in spate of the Platin's output will be poshed compared with 73 per rest has reat, enabling the company to substitute its own product for low margin imports. Further more, imports will take the felt strain of any decline in demand.

Presex profits of about IEEE a
should be altainable without
much difficulty.

The shares have under-pen-formed the irish market by more than 20 per cent nier the last year as British investory have cut their holding from about 35 per cent to 30 per cent, Gross funds will be watchess the Irish Finance Bill - day in a couple of weeks - closely to see if the rate of imputation is reduced as well as corporation tax. But, if the warry comes to the worst, the group's dividend cover of nearly there times gives nienty of scope for

#### Sun/Viking

previding recompense.

The expected rival bidder for Viking Oil has duly emerged in the shape of the U.S. group Sun, which is copying Denunes idea of offering a tovally unit topping this up with \$4 rather than £3 in cash. Sun has persuaded five or six of the institutional shareholders of Viking to accept arrevocably with 30 pm cent of the equity. Its areament to them was presumably that it would not raise the stakes unless it had a devrer of solid support. Demines is not yet out of the race, but it cannot really organise a shut our when 30 per cent is aircidy locked up. At Elfil, up El Viking is valued at £25.5m com pared with a rash element a

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